REPORT OF THE
SOCIAL ASSISTANCE
REVIEW COMMITTEE

TRANSITIONS

SUMMARY

Prepared for the Ontario Ministry of
Community and Social Services

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INTRODUCTION

In July 1986, the Ontario government established the Social Assistance Review Committee, an independent committee charged with undertaking a public review of the province's social assistance system. Our mandate has been to examine and answer four questions:

- What should be the guiding principles and objectives of social assistance and related programs?
- To what extent is the present system meeting those objectives?
- What overall strategies for change should the province adopt?
- What parameters should the province accept as it moves to change its legislation?

The committee includes 12 members with varied backgrounds and experience from across the province. Some members work or have worked within the social assistance system; some have been recipients of social assistance. Others bring expertise from business, labour, the religious community, law, and municipal politics. Members have also brought the perspectives of a variety of groups, including sole-support parents, people with disabilities, Native people, immigrants, and Franco-Ontarians.

We began with an extensive period of public consultation. The committee spent 23 days holding public hearings in 14 communities across Ontario. We received more than 1,500 submissions and briefs. Recipients or former recipients as well as those who work within the system provided us with extensive feedback. Seven advisory groups were established to supplement the advice we received during the public consultations. Each advisory group consisted of people with a special perspective on social assistance.

Consultation was followed by a study of the issues. Using the results of a number of research reports and discussion papers that we commissioned, we considered the problems that we and those with whom we consulted identified as being most important. The third and final phase of our work consisted of intensive deliberation about the problems facing the system and the development of a consensus about the reforms we believe are required. We then prepared our report, which contains 274 specific recommendations for change.

This summary includes all the recommendations we have advanced, but presents the background and rationale for those recommendations only in condensed form. We urge readers to consult the report itself for a more thorough and detailed discussion. If implemented, our recommendations will constitute a major restructuring of one of Ontario's most important social programs.

April 1988

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PRINCIPLES FOR REFORM

Our terms of reference asked us to determine what should be "the guiding principles and objectives of social assistance and related programs". We have taken this as a cornerstone of our work, for the following reasons.

First, social assistance is currently a system whose policies and objectives are unstated, often multiple, and often conflicting. The principles we have arrived at need to be constantly kept in mind if Ontario is to develop a rational system, and if the worth of our recommendations is to be effectively measured. Second, fundamental changes are necessary in the social assistance system. It is essential to state the principles and objectives that underlie such major reform and justify the expense necessary to achieve it.

Most important, a public consensus regarding society's obligation to those in need is essential to the reform process. Ontario can break the cycle of poverty only if there is broad public understanding and endorsement of a set of principles and underlying values that require this to happen. These principles must also serve as a benchmark for social policy initiatives that go beyond social assistance. Otherwise, our recommendations will have only limited impact.

One fundamental objective should guide reforms both within and outside social assistance:

All people in Ontario are entitled to an equal assurance of life opportunities in a society that is based on fairness, shared responsibility, and personal dignity for all. The objective for social assistance therefore must be to ensure that individuals are able to make the transition from dependence to autonomy, and from exclusion on the margins of society to integration within the mainstream of community life.

We begin with the belief that each person is of inherent worth and should be presumed capable of reason, choice, self-realization, and independence. Each person is also interdependent with other members of society and needs to participate in, and be related to, family and community in order to fulfil his or her potential. Society has a responsibility to assist its members in their development and integration, within a framework of economic equality and social justice.

We have designed a system that views all social assistance recipients, like all members of society, as people in transition. Transition implies change and change carries with it risks. In addition, the extraordinary rapidity of global change means that those with low incomes and fewer educational qualifications, those who have dependants to support, and persons with disabilities are especially vulnerable. Without a change of direction, Ontario risks creating extreme disparities between affluence and privilege, and poverty and despair. The effects of poverty go beyond the exclusion of individuals from society. The nurturing of human resources is critical in a service- and knowledge-based economy. It is in the broader interest of society to provide a range of opportunities that facilitates the process of transition for all individuals at risk.

This fundamental shift away from the familiar model of incremental reform within a "care-based" system is the hallmark of the changed environment we envision in this report. Viewing social assistance in this active, developmental, and goal-oriented way will eventually, we hope, transform the system and its impact upon those who turn to it for help.

The support that society provides is not to be understood as a gift or privilege, nor as charity to the disadvantaged. Rather, it represents a right to which all members of society are entitled. Such support must be equitable and available to all. The existence of need should evoke an assured response, beyond the reach of arbitrary systems and decision-making.

People in need require adequate financial support, but the supports and resources that assist transition must also be available. Wherever possible, these supports should be delivered through mainstream agencies that serve the public as a whole; otherwise, exclusion and marginalization will merely continue in different forms.

We propose a sharing of responsibility among all those concerned with social assistance, and an enhanced role for government as a means of achieving our objectives. *Government* bears a basic responsibility to invest in its citizens by ensuring that their living needs are met and that access to opportunity truly exists. *The individual* has a corresponding responsibility to become, with support where necessary, as self-reliant as possible and to contribute to community life. *The community* must accept all members of society, particularly those who are vulnerable or who have suffered exclusion. It is also at the community level that the process of integration is best planned and co-ordinated. *The voluntary sector* has a special responsibility to provide personal care and support, but not the income and services that government should provide.

The rules and behaviours of society that lead to the marginalization of the poor must also be addressed. This requires major reform of the social assistance system and long-term change in broader social and economic opportunities outside the system, in such areas as education, health, and housing.

Operating Principles

These ten operating principles should guide the new social assistance system.

1. Eligibility

All members of the community have a presumptive right to social assistance based on need.

The social assistance system regularly denies benefits to certain people. The self-employed are automatically ineligible, regardless of their financial circumstances. The residence requirement is often read narrowly so that those without a permanent residence are excluded; yet without assistance, a permanent residence generally cannot be found. Especially disadvantaged by this requirement are those recently discharged from institutions, who lack a financial base from which to set out on their own.

For policy reasons that are neither well articulated nor measured for their impact, the need principle is overridden again and again. The child's portion of a family's benefits is deducted when a child fails to attend school regularly; the sponsored immigrant is deemed ineligible when the sponsorship arrangement breaks down – that is, when need is greatest – despite the fact that the immigrant has no means of enforcing the agreement.

There must be a basic presumption in favour of inclusion where need exists. This presumption might then be set aside, but only when doing so can be clearly justified by reference to policies that are publicly stated and openly debated.

On a broader level, we must assist those who are effectively excluded from full membership in the community. In Ontario, more than 360,000 children under 18 (including some 205,000 recipients or beneficiaries of social assistance) grow up in poverty, a factor that contributes more than any other to poor life experience. Women who go through separation or divorce find themselves at a severe disadvantage as they seek to survive on inadequate support or to enter the labour market. In 1981, there were 110,000 Native people in Ontario; two-thirds of those over 15 and about 90% of Native women earned less than $10,000 a year. In addition, of the more than 650,000 disabled persons between 15 and 64 who live in Ontario, approximately one-half are not in the labour force, and of those employed, many work in the artificial environment of the sheltered workshop.

2. Adequacy

All residents of Ontario who are in need must receive a fair and equitable level of social assistance, adequate to meet their basic needs for shelter, food, clothing, and personal and health care.

Adequacy is a prerequisite to transition. We strongly reject the argument that the "spur of poverty" is still essential in the drive to self-sufficiency. The vast majority of recipients want to be free of social assistance and to be independent. Moreover, the payment of insufficient benefits is profoundly counter-productive to transition, causing the recipient's energies to be consumed by a perilous struggle to survive.

We have concluded that the levels of income support now provided in this province are inadequate. This is made worse by the fact that access to many basic items is subject to administrative discretion. As well, the varying benefit levels lead to a perception that some recipients are more deserving than others.

Two conspicuous examples of the inadequacy of current benefit levels are by now widely familiar. First, a large number of recipients spend too much of their income on shelter. A third of those not living with relatives or in subsidized housing spend more than 50% of their allowance on accommodation. Second, emergency food banks are growing steadily and emerging as the most obvious example of a burgeoning secondary welfare system.

Finally, it is essential that sufficient income also be available to those who live at the edge of the social assistance system – the working poor, who form the majority of poor people in the province.

3. Accessibility

Social assistance must be readily available to all those in need within the community.

Social assistance and associated services remain only theoretical rights if people cannot obtain access to them where and when they are needed. The system must be simple, easily understood, and responsive to need on a timely basis. It must be accessible in English and French throughout the province, and in other languages as required.

The current system is not readily accessible. The division of responsibilities between the provincial and municipal governments compounds its complexity and ensures delay and confusion for many applicants. The high level of unstructured discretion means that accessibility has different meanings in different parts of

Ontario. Much also remains to be done to make effective use of technology in the effort to provide fast and efficient service.

Little understandable information about this very complex system is provided to the public. The problem is greatest for those who speak languages other than English. For many, the necessary dialogue cannot even begin because interpretation and translation services are imperfectly delivered, often through volunteers or applicants' children.

An accessible system is one that is free of stigma. Rules and procedures that reinforce applicants' low self-esteem and reflect negative and inaccurate public perceptions of social assistance recipients function as highly effective barriers. In addition, a key to transition is the availability of trained, sensitive staff who are able to provide timely support to people in need. Here, too, the current system falls far short.

4. Personal Development

Social assistance must provide a broad range of opportunities to promote personal growth and integration into the community.

For many, employment represents the most effective means of establishing self-esteem and self-sufficiency, and of enabling integration into society. The focus must not be on working to "earn" social assistance benefits; rather, it must be on skills training and employment in order to achieve personal independence. For others, opportunities that increase community participation short of employment are equally essential.

Despite significant recent initiatives in this area, the predominant experience of most long-term clients is the receipt of benefits, not opportunities. Financial disincentives make the move into the labour force a risky undertaking. Essential support services – such as child care and measures that make the workplace accessible to disabled persons – may be unavailable or delayed. "Personal support" in the development of what we will call an opportunity plan now often involves little more than the imposition of a standardized job search requirement. And for those who are not expected to seek employment, attempts to promote personal development have traditionally been seen as unnecessary and unproductive.

Here as well, the focus must be beyond the social assistance system itself. To remove the barriers that limit opportunities, new and broadly based approaches must be pursued, including policies directed at full employment; educational programs that reduce high school dropout rates, combat illiteracy, and teach needed job skills; flexible employment policies for adults with dependants or those seeking to develop their own skills, the elimination of discrimination in employment; and readily accessible child care.

5. Personal Responsibility

The social assistance system must enable individuals to assume responsibility for themselves and must ensure individual choice, self-determination, and participation in community life.

Individual ability and willingness to assume personal responsibility are essential if the system is to help each person to achieve the highest possible degree of self-sufficiency and integration within the community. Individual responsibility is greatly enhanced by treating people with respect, encouraging them to participate, and providing them with choices rather than imposing solutions.

We have accepted that, for some, receipt of *full* assistance should be made conditional upon a willingness to participate in opportunity planning, provided that real opportunities are available and measures are introduced to protect those who are required to participate.

Currently, the social assistance system imposes conditions and sanctions more readily than it offers opportunities. The expectations placed upon recipients vary and are often of limited relevance and value to the particular recipient. In most cases, the system fails to provide the support that would enable recipients to meet its conditions; without such support, the imposition of conditions is unjustified.

6. Individual Rights

The social assistance system must respect the rights of individuals as guaranteed in the Canadian Charter of Rights and Freedoms and other laws. It must guarantee a clear and impartial decision-making process, including the right to due process, access to information, and the protection of privacy.

The protections afforded by these laws are especially important when access to the basic requirements of life is at issue. We believe that legislative statements of individual rights should be read broadly, not narrowly or only as far as existing court decisions require. The current social assistance system regularly denies the protections afforded by the rules of fundamental justice, as well as the equality of treatment that the Charter and other laws require. This denial is unacceptable.

Inequality is embedded in many of the rules that apply to social assistance. Rules and procedures also violate basic notions of fairness and due process: many decisions involving basic needs cannot be appealed, and recipients are not given notice of or reasons for decisions of major import. Existing appeal procedures are fundamentally flawed; recipients are denied access to information that forms the basis of decisions made about them; and highly intrusive measures are adopted in the effort to eliminate abuse of the system.

7. Respect for Family Life

The social assistance system must support and strengthen the integrity of family life while remaining sensitive to the needs of individual family members who may be at risk.

As family forms change, as we redefine the roles of family members, and as societal change places new stresses upon the family and those within it, many families need support at various stages in their life cycles. At the same time, individual family members may be at serious risk and may need assistance to leave family situations that threaten or harm them.

Inadequate social assistance payments have a devastating impact upon the family. People in poor families are more likely to experience future difficulties in life. Some families must separate to survive financially or must place their children in foster care, where greater financial support is available.

The rules and procedures of social assistance shape and reflect attitudes towards the family. The ways in which social assistance is currently used to implement implicit or explicit government policies regarding the family are generally unidentified and rarely the subject of public debate. Social assistance policy must respect and support the family's ability and right to make decisions. Inadequate benefits dissuade the parent who prefers to remain at home with his or her children. Conversely, serious financial disincentives and the denial of basic supports such as child care keep many parents at home when they would prefer to work outside the home.

In many ways, the current system seems to have the effect of weakening rather than strengthening families. It adapts poorly to new family arrangements and is slow to make available services, such as mediation, that may ease the impact of family breakdown. While important gains have been made, the system still offers imperfect protection for those at risk within the family.

8. Respect for Diversity

Social assistance must respect the diversity of cultures and religions in Ontario and must recognize the unique identity of Native communities.

The principles we endorse will be of limited value if we do not provide sensitive support, services, and opportunity to those of all cultures and religious beliefs. The present system falls short of this principle. Staff are insufficiently trained to understand and respond to the needs of minority groups. Limited use is made of the multicultural communities themselves as resources to help recipients to identify and pursue opportunities. Existing rules can have a devastating effect, for example upon sponsored immigrants and upon those with assets in their native countries that cannot be sold.

Ontario's Native peoples suffer disproportionately from poverty, dependency, and discrimination. While Native communities have been delegated extensive authority in delivering social assistance in a more culturally specific way, the program still falls short of the autonomous, Native-designed, and Native-controlled system that would better meet their needs.

9. Accountability of the System

The administration of social assistance must be efficient, open, and publicly accountable.

Adoption of the measures proposed in this report will require an increase in social assistance expenditures. There is a clear obligation to the public to demonstrate that these resources are being spent in the best and most cost-effective manner. Accountability must exist throughout the system.

The system currently places most of its emphasis upon techniques designed to prevent abuse on the part of recipients. Despite this, little is known about the amount of fraud, the effectiveness (and cost-effectiveness) of measures taken against it, and whether the harm done by these measures in some cases outweighs the good. Public understanding of how well or badly the system controls its expenditures is limited by inadequate or distorted information that reinforces existing perceptions.

10. Shared Responsibility

The effectiveness of social assistance depends upon the joint action and effective co-operation of the community at large.

The provincial government must have an overall policy that unites several ministries in a common strategy to address the needs of economically disadvantaged people. That policy must translate into an understandable and consistent plan for each of the province's areas and regions.

The implementation of new provincial policies and programs should be preceded by consultation with all delivery partners; the various agencies and levels of government must function within a common planning process. Business and labour must work together to develop employment programs at the community level, and the voluntary sector must be a full and valued participant. The present system has not sufficiently developed these essential links.

PRINCIPLES FOR REFORM

The key to preventing individuals from becoming dependent on assistance lies in other areas of social and economic policy. We must recognize the direct association between social assistance and *federal* tax, employment, and labour adjustment systems; *provincial* health, education, and training systems; and *community*-based services. The social assistance system must become a forthright advocate of preventive policies for those at risk. Further, it must help to create a broad public understanding of the needs of those who live in poverty. Without this understanding, the chances of real reform remain slight.

BALANCING COMPETING PRINCIPLES

Principles are rarely absolute and they often come into conflict. Throughout the report we have attempted to be clear about the choices we have made where such conflict arises. For example, we see the transition objective as paramount. This has led us to make recommendations that preserve short-term inequities, in order to facilitate transition for those with greater resources available to them. We have placed the needs of the individual at risk within the family ahead of the family itself. Wherever possible, however, we have sought middle ground that reflects the essence of our proposed principles.

Public discussion of these principles in the context of proposed reform, combined with a willingness to be clear about the choices being made when principles conflict, and a commitment to evaluate and reconsider them on a regular basis, will help ensure that they become more than descriptions of an ideal world we only hope for but never really intend to create.

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SOCIAL ASSISTANCE IN ONTARIO

Ontario's social assistance system is governed by two major pieces of legislation, the General Welfare Assistance Act (1958) and the Family Benefits Act (1967). Neither of these laws has been significantly changed in more than twenty years.

General Welfare Assistance (GWA) is administered primarily by municipalities and Indian bands. It is intended to provide income support to applicants and their dependants who are in short-term or emergency need. The amount of the benefit varies with factors such as family size. Applicants considered to be employable must be ready and available to work in order to receive assistance.

The Family Benefits program (FBA), which is administered by the province, is intended to provide income assistance to people more likely to have long-term financial needs, such as adults with disabilities and their dependants, and sole-support parents with little or no wage income and their children. In general, people receiving FBA must first apply and qualify for GWA.

Both GWA and FBA recipients have access to two other sources of income from the social assistance system. Special Assistance and Supplementary Aid provide for extraordinary and one-time emergency needs not covered by basic assistance levels.

In order to receive assistance, applicants must meet the eligibility criteria for one of 22 different categories of people in need. They must then submit to a financial test, using the "budget deficit" method; the level of benefits applicants receive is determined by establishing how much they need and then subtracting their income from other sources.

GWA was initially intended to serve primarily an employable population whose need for financial assistance was temporary. FBA was targeted towards those considered to be outside the labour force and in need of long-term assistance. The two-tier system has evolved in such a way, however, that the GWA program includes a number of people with long-term illnesses and little immediate prospect of employment, while FBA includes many single parents and people with disabilities who are able to move into the labour force.

Who Receives Benefits?

In 1987/88, more than half a million people in Ontario were beneficiaries of social assistance; the system consumed a total of approximately $1.9 billion of federal, provincial, and municipal money. Despite its size, it is among the least understood of all social programs. The public's perceptions are at odds with the reality of social assistance in the 1980s. Four common misperceptions are described below.

"Most people who get welfare are adult men who could work if they had to."

Employable but unemployed working-age adults represent fewer than 14% of all beneficiaries of social assistance. People with disabilities and sole-support families are by far the largest groups of recipients. The method used to compile social assistance statistics also masks one startling fact: 37% of all beneficiaries of social assistance – 205,000 people – are children under 18.

"Most poor people are on welfare."

The majority of Ontario's poor people receive little or no income from social assistance. A substantial proportion of poor people receive most of their income from employment.

"All welfare recipients live in publicly subsidized housing."

Only about 18% of all beneficiaries of social assistance live in accommodation where the rent is geared to income. The vast majority must compete in the private market to find accommodation that is adequate, available, and affordable.

"Once they start to collect benefits, most people never leave the welfare rolls."

Social assistance recipients leave the system more frequently and more quickly than most people realize. Employable recipients remain dependent upon assistance for an average of seven months; 40% leave the system after three months. Single parents average between three and four years on assistance, and the average stay for recipients with disabilities is only slightly more than five years. The statistics indicate quite clearly that for the majority of recipients, social assistance meets a temporary need often created by a life crisis.

The public lack of understanding of who receives social assistance and why is a serious problem that must be acknowledged and rectified if the reforms we propose are to receive the public acceptance they require in order to succeed.

Public misunderstanding may result, in part, from significant changes in the social assistance caseload since 1969. Economic change, especially as it affects the rate of unemployment, has a direct impact on the caseload. Not surprisingly, the 1981-82 economic recession, which caused a massive increase in unemployment, also resulted in a large increase in the number of recipients who were employable but unemployed. Although the unemployment rate has dropped significantly since the recession, it has not yet been mirrored by a decline in the number of people receiving assistance.

Changes in other social programs have also significantly affected the composition of the caseload. For example, 20% of FBA recipients in 1969 were over 65. Improvements in other income programs for seniors reduced that proportion to about 1% by 1987.

Several other trends have characterized the social assistance caseload since 1969. For example, it has grown steadily, partly because of increases in the general population and partly because of a combination of economic and social factors. Nevertheless, the proportion of Ontario's population receiving social assistance has remained relatively constant at approximately 5%, although it has ranged from 4.3% in the late 1970s to 5.6% in 1987.

People with disabilities represent approximately 32% of the total caseload. The growth in this group results from a combination of factors including deinstitutionalization, advances in medical science, and a lack of specialized services to support employment. Another 30% of the caseload is made up of single parents. They represent a growing proportion of FBA recipients, having increased from 33% in 1969 to 41% in 1987. In part, that increase can be attributed to the fact that the elderly now represent a much smaller proportion of FBA recipients. The growth may also be explained by the increase in divorce rates, the significant jump in the number of unwed mothers who are keeping their babies, and the increased availability of services and supports that assist women and children to leave abusive family situations.

One of the fastest-growing groups of social assistance recipients is made up of those who are employable but unemployed. In large part, this growth can be attributed directly to increases in the national rate of unemployment. Nevertheless, recent reductions in Ontario's unemployment rate have not reduced the number of employable recipients, because these recipients lack the skills required in the post-recession economy, and because they must complete with people from other provinces who have come to Ontario looking for work. A review of new GWA recipients in Metropolitan Toronto in 1987 discovered that almost two-thirds were from other jurisdictions. An especially disturbing aspect of the growth of employable recipients is that young single people with limited education, few skills, and little work experience account for most of that increase.

Poverty in the 1980s

Not all poor people receive social assistance but all social assistance recipients are poor. Attacking the root causes of poverty must be seen as a crucial part of social assistance reform.

Although poverty was not eliminated during the 1970s, there was modest but continual progress in reducing the rate of poverty. Much of that progress was wiped out by the recession of the early 1980s, which resulted in significant increases in poverty rates in Ontario. Fortunately, the economic recovery was reflected in a sharp decline between 1984 and 1986 in the number of families and single people in Ontario living in poverty. The 1980s have provided ample evidence of the extent to which poverty is influenced by changing economic conditions.

Unfortunately, the recent decrease in poverty did not alter several disturbing features of the population living in poverty. For example, to be a woman raising children alone continues to be a strong predictor of poverty. The poverty rate for female-led single-parent families in Ontario is still in excess of 50%. And, most disturbing of all, children continue to represent a large number of the victims of poverty. As of 1984, 16% of all children in Ontario were in families living in poverty.

Two factors are especially significant in perpetuating poverty for social assistance recipients: the inadequacy of benefits and the lack of affordable housing.

The current system is completely devoid of any clear, logical, or consistent rationale for setting benefit levels. Differences in benefit levels among the 22 categories of eligibility bear no relation to the actual cost of meeting people's needs. Rather, they reflect antiquated and value-laden views that define the poor as being "more deserving" or "less deserving" of help.

This lack of rationale has resulted in a system that leaves many social assistance recipients with incomes that are insufficient to meet their basic needs. Comparison of the incomes of social assistance recipients with any of the commonly used definitions of poverty indicates that all recipients have total incomes below the poverty line. Some recipients, in fact, have incomes that are 50% below the poverty line.

The second major factor contributing to poverty in the 1980s is the severe lack of affordable housing. Only about one-sixth of recipients live in publicly subsidized, rent-geared-to-income housing. Many recipients, especially those in large urban areas, often spend between 40% and 70% of their benefits on shelter.

The Working Poor

There is evidence to suggest that the working poor represent a growing proportion of the labour force. Between 1980 and 1984, average incomes of the poorest 20% of Canadian households declined by 8% to 10% relative to those of the wealthiest households. Another contributing factor to the growth in numbers of the working poor is the decline in gross income from employment at the provincial minimum wage, which has lost about 20% of its value since 1979.

Not only are the working poor hardest hit during times of high unemployment but, because of low education and limited skills, they may not benefit to the same extent as other workers when unemployment declines. Technological change is reducing the number of blue-collar jobs. Because many workers who hold these jobs lack the basic education to be trained for new jobs, they often have no option but to accept less skilled and lower-paying jobs.

The continued existence of a large and probably increasing number of working poor bears directly on the prospects for change to the social assistance system. At present, the working poor derive very little benefit from the system. If improvements are made to social assistance without providing comparable help to the working poor, reform efforts will prove self-defeating. They will increase the disincentives for recipients to move into the labour force as well as increasing the incentives for people who are working to leave their jobs in order to collect social assistance.

The Modern Welfare State

In order to propose realistic solutions to the problems of the existing social assistance system, it is important to consider the system's history and context.

Today's social assistance program has evolved over the past 380 years since the Elizabethan Poor Law was enacted in 1601. A variety of influences have produced the income security system we see today in Canada. Periods of major social and economic upheaval, such as World War I, the Great Depression, and World War II, as well as the separation of powers between federal and provincial governments as set out in the Constitution, have greatly influenced the scope of these programs and the manner of their delivery. Some of the values that form the basis of the modern welfare state have undergone significant changes over time, but others have remained as parts of a legacy carried forward for centuries without consideration of whether they remain relevant.

One of the most significant aspects of the evolution of social assistance is that rather than being virtually the only social program, as it was in the past, it is now one of many. The growth of the modern "welfare state" has resulted in the implementation of a variety of other social programs that provide income to people in need, including family allowances, the child tax credit, unemployment insurance, the Canada Pension Plan, and workers' compensation, among others. In the income security system as a whole, social assistance is a relatively passive actor. Other income security programs establish their own policies with respect to entitlement and benefit levels. The social assistance system serves as a residual program that attempts to catch those who fall through gaps left by the other programs.

The social assistance system represents a relatively small proportion of total spending on income security programs and a very small portion of total public spending. In 1985/86, spending on social assistance in Ontario accounted for only about 10% of total spending in Ontario on income security. By comparison, income support for the elderly amounted to almost half of all income security expenditures. Social assistance expenditures account for only about 4%-5% of Ontario's total budget and consume less than 1% of the province's gross domestic product.

The Focus for Reform

The need for reform of social assistance is clear. We believe that reform efforts should focus upon resolution of the following major problems.

Lack of Direction

The present system is not guided by clearly stated policies and objectives, making it impervious to careful analysis; therefore, its effectiveness is difficult to measure. Moreover, there has been a failure to address the changes to the broader income security system and to related policies and programs that would make social assistance the truly residual program it was intended to be.

Inadequacy of Benefits

Measured against its traditional care-based purposes, the program is seriously flawed. No logical or rational method of establishing benefit levels exists, resulting in benefits that fall well below any poverty line. The heavy reliance upon discretion in the granting of benefits and the serious province-wide housing crisis compound the problems recipients face. One result has been the emergence of a secondary welfare system, with voluntary organizations increasingly taking on a role that they did not want and that is not appropriate for them.

Disincentives to Transition

Measured against the goals we would set for it, the program is even less successful. Major financial disincentives face recipients who wish to leave social assistance. Services to help recipients find and keep jobs and other services that make transition possible are not easily identified and are often unavailable. Many recipients become trapped in dependency, even though they neither want nor need to remain on social assistance.

LACK OF HARMONIZATION AND CO-ORDINATION

The rules and regulations of social assistance and other policies that support those who work, such as the minimum wage, are not harmonized in a way that encourages transition from assistance to employment. A similar lack of harmonization is found in those social and tax programs that have the same clientele. Nor is there any effective mechanism to plan and co-ordinate the efforts of governments and others to serve the economically disadvantaged. As a result, programs intended to benefit social assistance recipients and other low-income people often work at cross purposes and end up being ineffective and even counter-productive.

COMPLEXITY AND UNFAIRNESS

The present social assistance system is highly complex, adversarial in its approach, stigmatizing, and inequitable. Many of its rules and procedures violate basic individual rights and principles of fairness. The division of the caseload and of program and funding responsibility between two levels of government, coupled with the emphasis upon categorical distinctions between recipients and the high degree of discretion exercised by staff, means that significant disparities exist in the help available to people in similar situations. The result for many recipients is that the system becomes a barrier to transition rather than a means of facilitating it. The result for staff, already burdened by heavy workloads and unclear roles and responsibilities, is a much reduced capacity to offer effective help to recipients.

MARGINALIZATION

The system isolates recipients; they feel powerless and see themselves as set apart, rather than as members of the broader community. This sense is reinforced when many of the services they need are provided to them separately rather than through the mainstream programs available to the public as a whole.

The problems confronting Ontario's social assistance system are such that a major restructuring is required. Tinkering will no longer suffice. To be effective, such reforms must be accompanied by significant changes to other elements of the income security system and supported by reforms to a broad range of programs required and used by social assistance recipients.

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VISION OF THE FUTURE

Having recognized the need for fundamental reform of the social assistance system, we developed a broader vision of new, more effective, and more humane approaches that should be implemented in the long term to help people in need. This vision also guided us in developing recommendations for changes in the short term. It should serve as a reference point or guide in the implementation of our recommendations, and as a benchmark against which the results of reform can be measured and evaluated.

The future we envisage would result in a social assistance system that is radically different from what we now know as GWA and FBA. Far fewer people would receive social assistance because the income needs of many present recipients would be met in other ways by other programs; the needs of children and people with disabilities would be met by income security programs other than social assistance.

Broad Policy Reforms

A principal goal of reform must be to ensure a more thorough integration of economic and social policy. Identifying the social impact of economic policy initiatives and the economic implications of social policy measures should become an integral part of the policy-making process.

Employment and labour market programs, for instance, have both economic and social implications with direct consequences for social assistance. A job is still the preferred form of income security and it is one of the primary ways in which individuals become integrated into and participate in the life of their community. A new approach to helping people in need would necessitate an ongoing effort to ensure that there are sufficient numbers of safe, meaningful, and fairly compensated jobs. It would also require fair and equal access to job opportunities and supports for working parents that would better enable them to balance their family and work responsibilities.

The evolution of a new approach to social assistance should also be complemented by improvements in education and skills training and retraining programs. For example, we recommend the development of more initiatives that would encourage students to stay in school by enabling them to combine academic studies with on-the-job experience. We also envision a far more efficient and effective training system, one that provides more tangible incentives to participate in training, better co-ordinates existing training programs, and ensures the availability of training supports like child care.

Recent initiatives by governments to reform the tax system have highlighted the extent to which taxation and income security programs are interwoven. All too often they work at cross purposes to create a poverty trap. Future tax reform efforts should harmonize the tax and income security systems so that improvements in income support programs for the poor are not offset by increased taxes.

Reforms and improvements in the health field must also be seen as initiatives that support our new approach to helping. In particular, we envisage a system that improves access to health care and health promotion opportunities and that increases the control that people exercise over their own health by providing them with needed information.

One area of public policy with particularly significant implications for social assistance is housing. Our public hearings confirmed that the problem of inadequate benefits was almost invariably linked to the lack of affordable housing. There is no question that the success of the reforms we are suggesting will demand a major, two-pronged attack on the housing problem. We anticipate the development of a formula that will compensate recipients, within reason, for the actual shelter costs they incur. In addition, we recommend a variety of creative programs to increase the supply of housing.

Income Security Reforms

We envisage major changes in the income security system to complement those that must be made in the social assistance system.

GUARANTEED ANNUAL INCOME

Whenever the possibility of income security reform is contemplated, the notion of a guaranteed annual income is invariably mentioned. We, too, considered the feasibility of a GAI as a means of resolving problems in social assistance.

Although the notion of a guaranteed annual income is far from new, there is very little consensus about how such a program would actually work. This lack of common definition stems from the fact that the term "guaranteed annual income" refers more to a concept than to a precise construct. In its purest form, a GAI would probably entail the guarantee of a basic level of income to every man, woman, and child. An income test would be used to determine eligibility so that only those below a certain level of income would derive a net benefit. It would probably be a national program delivered through the tax system by way of a negative income tax, taking the place of most other social programs including social assistance.

The committee has serious reservations about a "pure" guaranteed annual income program. For example, those with specialized income needs may be poorly served, because a GAI is unable to distinguish between beneficiaries who have differing needs. Nor does a GAI incorporate strategies designed to assist recipients to take advantage of opportunities to become self-reliant. Introduction of a GAI may also spur calls for abolition of other social programs that have legitimate but different policy objectives. Finally, the resources required to implement a GAI may divert attention from efforts to maintain high levels of employment, which we believe to be the best method of providing income security and of facilitating full participation in the life of the community.

Although we have concerns about its feasibility, we fully support the objectives of a GAI. We simply believe that there are other ways to achieve those objectives. For example, we envision the implementation of a new disability income program, a new children's benefit, and a new income supplementation program. Collectively, these measures could achieve the objectives often ascribed to a GAI: the establishment of a minimum income floor, the reduction of stigma, more efficient social programs, and support for the working poor.

A Disability Income Program

The present approach to providing income to people with disabilities is costly, complex, unjust, inequitable, and in need of complete restructuring. As one element of reform, all disabled people should ultimately be removed from social assistance. This could be accomplished by creating a two-part income support program for people with disabilities.

One part would be a comprehensive disability insurance program, which would provide benefits for disability due to accident, illness, or injury. This approach would rationalize many existing disability income programs like workers' compensation and the disability component of the Canada Pension Plan.

Disability insurance could be financed by a variety of levies, including premiums for both employees and employers. The level of benefits would be based on a proportion of an individual's earnings prior to becoming disabled.

Ideally, such a program should be national in scope and publicly administered. Costs could be controlled by such measures as limiting coverage to those who are disabled for a prolonged period of time.

The concept of disability insurance has been studied recently by a federal-provincial task force. The experience of the New Zealand government, which implemented such a program, suggests to us that with additional controls it is technically feasible and politically viable.

However, there will always be people who will not be entitled to draw benefits from disability insurance because they did not pay into the plan. Most social assistance recipients are in this position. A complementary benefit would have to be implemented to meet the income needs of those people with disabilities who would receive little or no income from disability insurance.

A disability benefit would ensure a basic level of income to all people with disabilities who have little or no income. It should provide parity with old age security and the guaranteed income supplement, which provide income support for elderly people.

The disability benefit and disability insurance should be co-ordinated as much as possible. A similar definition of disability should be used, for example. And, as an adjunct to both income programs, an extensive system of services and supports should be available to people with disabilities to enable them to be as self-reliant as possible and to participate fully in the life of the community.

A Children's Benefit

Although there are a number of existing income programs that benefit children, the rate of poverty among children is unacceptably high. Living in poverty, especially in families receiving social assistance, can have a tremendous physical, emotional, and social impact on children.

We believe most existing child benefits could be rationalized into a single integrated children's benefit. It might best be delivered through the income tax system as a refundable tax credit. The amount of the benefit would be based on a sliding scale, depending on family income, but it should increase substantially the total amount of benefits currently available to low-income families. We have proposed one possible design, which would result in a maximum benefit of $3,300 per child per year (in 1988 dollars). The goal of such a benefit is not simply to eliminate the need for children to receive income from social assistance; it should also result in a guarantee of a level of income adequate to ensure that no child in Ontario or in Canada would live in poverty.

Income Supplementation

A third major reform to the existing income security system would create a new program to supplement the wages of low-income workers. We believe that efforts to develop an income supplementation program can and should be initiated immediately. Our proposal is described in greater detail in Chapter 6 of the report.

An income supplementation program would address one of the major shortcomings of the current income security system: relatively little assistance is provided to poor people who are in the labour force. This anomaly results in inequitable treatment of the working poor, as compared with some people who receive social assistance. It can also create strong disincentives for people receiving assistance to move into the labour force, which in turn reinforces dependence upon social assistance. A program of income supplementation would need to be harmonized with the new children's benefit as well as with the new disability income program.

Together, these reforms would significantly reduce the number of people requiring social assistance. Furthermore, the content of the new social assistance system would be very different from that which now exists. The balance of this report focuses upon changes to social assistance and related programs that will lay the groundwork for the new income security system we envisage for the future.

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THE BENEFIT STRUCTURE

Simply stated, the term "benefit structure" answers the question: Who gets what? The benefit structure determines who is eligible for social assistance, how the benefits are calculated, the amount of the allowance, and the manner in which it is paid. The committee believes that major change must occur in the way these questions are answered, before the broader reforms that will ultimately reduce the size of the social assistance system.

If there is one principal explanation for the complexity of the benefit structure, it is that there has been no overall rationale to serve as a framework for decisions about benefits. While each of the policy decisions that collectively have produced the present benefit structure has a history, what has been absent is an overall set of objectives or goals to guide decision-making.

It is time to realize that the poor are neither "worthy" or "unworthy", they are simply poor.

Kenora Legal Clinic

The result is a system of benefits that virtually everyone agrees does not meet the real financial needs of most recipients. Eligibility rules exclude applicants for reasons unrelated to need. The two-tier system and a highly complex system of categories and sub-categories have together resulted in unjustifiable inequities in benefits, a perception that some recipients are more deserving than others, and a reinforcement of stigma and a feeling of powerlessness among recipients. Benefits are calculated in ways that discourage family formation and make the transition to self-sufficiency harder to achieve. No definition of adequacy is reflected in the payments, and many essential benefits are available only at the discretion of those providing them. As well, the system cushions recipients poorly against the loss of in-kind benefits when they leave social assistance.

Comprehensive reform is required to transform the benefit structure into one that reinforces the goal of assisting and encouraging recipients to move from dependence and exclusion to self-reliance and active participation in community life. It is especially important that the policies guiding such reform be clearly stated and explicitly tied to the principles we have articulated.

A Unified System

The two-tier system may have been appropriate twenty or thirty years ago when there was a clearer distinction between those recipients who were expected to move quickly into the labour force and those who were not expected to work. It should be abolished and one unified benefit structure developed in its place, through a merger of the Family Benefits Act and General Welfare Assistance Act into a new Social Assistance Act. Distinctions between short-term and long-term rates that are based upon categories, rather than upon the actual needs of recipients, should be eliminated.

Eligibility and Categories

Lack of need ought to be the only reason for the denial of assistance, unless there are clear and justifiable reasons why other criteria ought to prevail. Among those who should no longer be viewed as automatically ineligible for benefits are the self-employed; persons without an address; refugee claimants with visitor status; children not attending school; and 16- and 17-year-olds living outside the family home.

The current system has 22 categories of eligibility, numerous sub-categories, and a number of factors that create further distinctions within categories. The result is a maze of rates and rules. A single mother with one child may receive any one of 36 different rates. The categorization of recipients on the basis of differences in need is justifiable and desirable; however, it is clear that Ontario's categorical structure reflects value-laden judgements about recipients and contributes significantly to the stigmatization of those deemed "less worthy".

We believe that the number of categories should be reduced to three: handicapped persons, people in need who must respond to an offer of opportunity planning, and people in need who are encouraged but not required to respond to an offer of opportunity planning. To achieve this involves identifying the often minor rules that now distinguish one category from another and making changes to ensure consistency in such matters as level of allowance, asset ceilings, earnings averaging periods, level of allowable earnings, waiting periods, and amount of discretion.

Definitions of Disability

Since a separate category will exist for persons with disabilities, in recognition of their greater needs, a definition of disability is required. The number of disabled persons in the caseload is increasing dramatically even though current definitions are criticized as unclear and unfair. Transforming any set of criteria into a viable definition is, of course, a difficult and elusive task. There is a growing recognition that the determination of disability has a subjective element, regardless of the particular definition and procedures adopted. Within Ontario's current social assistance system, the problem is compounded by the fact that a disability must be deemed permanent in order for an applicant to receive benefits; as well, a recipient labelled "permanently unemployable" then appears to be ineligible or unsuited for vocational rehabilitation services.

Higher rates for disabled people create enormous pressure for applicants to meet the disability definitions. The system relies excessively upon clinical judgement, with no built-in mechanism to evaluate relevant non-medical factors.

A new definition – "handicapped person" – should be introduced that makes use of the World Health Organization's nomenclature and defines eligibility in terms of losses or abnormalities (impairments), inability to perform activities (disabilities), and inability to perform roles (handicaps). Clinical judgement should focus upon those issues that require a medical opinion. It should no longer be necessary for an applicant's condition to be permanent before he or she can receive benefits, and non-medical factors should also be evaluated. The definitions of handicap (or disability) in social assistance and in those programs offering vocational rehabilitation services should be the same, so that recipients have easy access to programs that identify their aptitudes and assist them to obtain the services and supports they need.

Foster Parents' Benefit

The foster parents' benefit (also known as the foster care program) should continue as an important family support program. Special measures to monitor the care received by children for whom the benefit is paid are unnecessary, although steps should be taken to ensure Children's Aid Society involvement when it is required. While a rationale exists for higher foster care rates within the child welfare system, social assistance rates for children and the foster parents' benefit should be uniform and adequate.

The Handicapped Children's Benefit

The Handicapped Children's Benefit should be merged with the Special Services at Home Program and expanded to cover all handicapped children, to ensure that families have the support they need to provide for their children at home. This program and the foster parents' benefit should be provided through separate legislation such as the Child and Family Services Act.

The Benefit Unit

The benefit unit is the person or group of persons on whose behalf a benefit is paid. Each recipient's financial need is assessed in this context. In the past, the system has relied upon the traditional definition of the family for this purpose, imposing family-based rules from the moment a couple began to live together. In an earlier report, we supported the removal of the so-called "spouse in the house" rule as discriminatory, intrusive, and unfair. At the same time, we have rejected a totally individual-based benefit unit as prohibitively expensive and inconsistent with the principle of need. We have endorsed a definition of the benefit unit that reflects support obligations between individuals as defined by family law. However, such a definition of the benefit unit must not create disincentives to the formation of families. Thus, for example, we recommend that a couple receive the same benefits as two individuals.

Financial Testing

Needs testing should be retained as the system's method of testing the financial position of applicants. It is the best means of ensuring that the varying needs of applicants and their families are met.

The present system takes a narrow view of the assets and income that recipients may retain, in the belief that social assistance is the program of last resort and should be looked to only when individuals have substantially exhausted their own resources. A new approach is required that supports the efforts of recipients to make the transition to greater self-reliance.

We propose the relaxation of rules related to asset ceilings, disposal of assets, the definition of liquid assets, and the right to save and to receive modest inheritances and certain gifts. Income rules as well must be clarified; for example, sponsored immigrants should not be denied assistance or have their benefits reduced because of income promised to them under sponsorship agreements that they have no means of enforcing. We were unable to decide whether recipients should be entitled to retain some of the money they receive in support payments.

As well, the government should seek methods of harmonizing different needs tests used in different programs, such as child care, legal aid, and rent-geared-to-income housing, with a view to eliminating the financial hardship that can occur when programs work at cross purposes.

Adequacy and the Allowance Structure

The issue raised most frequently during the committee's public hearings was the amount of money provided to recipients of social assistance. In almost all cases, people argued that the amounts were inadequate. As one recipient said, "There is always too much month left at the end of the money." We agree: by all measures of adequacy, the present allowances are insufficient.

We have proposed a steady move to adequate rates for all recipients. Of greatest importance is the introduction of a measure or definition of adequacy that is clear, understandable, and publicly available. No measure will ever be totally objective, but once one is adopted, the government can be held accountable for the essentially political decisions that establish rates and other related policies.

The committee examined a number of different measures of adequacy, including poverty lines, market baskets, and expenditure patterns. We propose a relative approach: a definition that will base the level of benefits on community norms and standards. The market basket method should be used, with reference to expert opinion and expenditure patterns.

The move to adequacy must be harmonized with measures to ensure adequate incomes for the working poor and appropriate incentives to help recipients move from social assistance into the labour force. Both the definition of adequacy and the rate-setting process should be established in legislation, along with a public process by which the market basket definition and existing rates are periodically reviewed.

The current treatment of shelter costs in the benefit structure is nearly incomprehensible. Shelter subsidies should be redesigned to allow the shelter expenses of recipients to be reimbursed fully up to an established ceiling based upon average costs within the community in which the recipient lives. Additional assistance should also be provided to boarders, and the discriminatory distinction between rates paid to profit and non-profit boarders should be eliminated.

Special problems are faced by those living in institutions. Steps should be taken to dissociate institutional funding and charging policies from the rate-setting process and to provide a personal needs allowance (now called the comfort allowance) that is uniform and adequate for all persons in institutions.

The market basket approach should be implemented in a manner that enables recipients to achieve what we have called "frugal comfort": basic needs should be met, with some provision for goods and services that reduce stigma and help recipients to increase their capacity for self-reliance and participation in the community. Persons with disabilities should continue to receive a flat-rate supplement, rather than being required to apply separately for reimbursement for each special item related to their handicapping condition.

Many needs now met only on a non-mandatory or discretionary basis are in fact basic needs and should be provided as of right. The existing distinction between mandatory and non-mandatory benefits creates unacceptable disparities in the benefits received by recipients in similar circumstances. Items such as rent and fuel deposits, gastro-urinary supplies, dentures, bandages, and moving expenses are simple necessities and payment for them should not be subject to discretion. In the longer term, many special needs, such as those relating to health care, should be funded through programs directed at the broader population and not just at those receiving social assistance.

In-Kind Payments

The assistance provided to recipients should continue to be a combination of cash and in-kind benefits, which range from eyeglasses and prescription drugs to child care. In-kind benefits will be provided uniformly once the present FBA and GWA benefit structures are merged, thus eliminating unacceptable distinctions that now penalize those in the municipal program. In-kind benefits should not be delivered through voucher systems, which are administratively complex and highly stigmatizing.

The so-called "notch" effect, caused when all benefits, including in-kind benefits, terminate at the same time, can cause severe financial hardship to those attempting to leave social assistance. In the short term, in-kind benefits should not be terminated until the recipient's earned income is high enough to cover the average cost of these benefits. In the longer term, the impact should be eased by making many of these benefits available to recipients and the working poor through programs delivered through mainstream jurisdictions.

RECOMMENDATIONS

1. The Family Benefits Act and the General Welfare Assistance Act should be merged into one piece of legislation, with one benefit structure that covers all social assistance recipients.

2. Applicants 18 to 20 years old who are living in their family homes and are in need should be eligible for social assistance in their own right.

3. Applicants 16 and 17 years old who are living on their own should be eligible for social assistance, subject to a special approach to opportunity planning.

4. Refugee claimants in need should be considered eligible for social assistance without regard to their immigration status.

THE BENEFIT STRUCTURE

5. The federal government should be urged to issue work permits to refugee claimants while the validity of their claims is being established.

6. With the new procedures envisioned by Bill C-55 in place, claimants should be eligible for social assistance on the basis of need, pending the first level of adjudication. If the matter then moves on to the second level of adjudication, eligibility should continue until a final determination has been made.

7. A child's failure to attend school should not be considered grounds for ineligibility.

8. With the possible exception of those involved in labour disputes, no resident of Ontario should be automatically ineligible for social assistance. Applications should be assessed on the basis of need alone.

9. In the short to medium term, the number of social assistance categories should be reduced to three:

- handicapped persons;
- people in need who must respond to an offer of opportunity planning;
- people in need who are encouraged but not required to respond to an offer of opportunity planning.

10. A new definition – "handicapped person" – should replace the current definitions of permanent unemployability and disability. The new definition should endorse the concept that a handicapped person is one who is handicapped as a result of an impairment and a disability (as defined by the World Health Organization) for a prolonged period of time.

11. The Ministry of Community and Social Services should draft general standards and guidelines for the new definition, in consultation with the Ontario Medical Association and others.

12. The category of temporary unemployability for medical reasons should be eliminated.

13. The definitions of disability (or handicap) within social assistance and Vocational Rehabilitation Services should be the same.

14. To further promote congruence between the two systems, the second-residence benefit should be made available to all disabled recipients of social assistance in the same way that it is available to VRS participants.

15. The minimum age of eligibility for social assistance as a disabled person should be lowered to age 16.

TRANSITIONS

16. The foster parents' benefit should continue as an established family support program. The objectives and criteria for the program should be clearly established within legislation.

17. Special measures to monitor the care of children for whom foster benefits are paid are unnecessary. However, the government should take such steps as are necessary to ensure CAS involvement where serious concern exists about the care a child is receiving.

18. Foster care rates paid by the child welfare system should remain at higher levels to reflect the unique standards of care within that system. Social assistance rates and foster parents' benefits should be uniform and adequate. The present disparity in rates should be maintained until adequacy is reached, in order to maintain the role of the benefit as a family support measure.

19. The foster parents' benefit should be removed from social assistance legislation and authorized through child-based legislation such as the Child and Family Services Act.

20. The Special Services at Home program and the Handicapped Children's Benefit program should be integrated under the Child and Family Services Act, and the new program should be delivered as one program. The new program should be available to all handicapped children. The Ministry of Community and Social Services should proceed quickly to effect the integration of the two programs.

21. The Family Law Act definitions of "spouse" and "parent" should be used in determining the social assistance benefit unit.

22. A couple should receive the same benefits as two individuals.

23. In a one-adult family, the first child should receive the same benefit as the second adult in a two-adult family.

24. The rate structure for children should assign the same level of benefit to all children in a two-adult family and to all children but the first in a one-adult family, with further distinctions to be based only upon the children's ages.

25. Either spouse should have the option to be the applicant, according to the family's free choice. If the parties are unable to agree, the benefits should be evenly split between them.

26. Mothers under age 17 and disabled persons aged 16 and 17 who remain at home should be treated as individual applicants.

27. If any benefit other than child support accrues to a child and is then set aside for the child's future needs, this money should not be treated as income to the family.

28. Financial testing should be liberalized to promote transition to stability and autonomy.

29. Needs testing should be retained as the principal method of financial testing. Efforts should be made to simplify the needs test and the application process.

30. Asset limitations should be immediately equalized for all recipients at the highest levels currently permitted. Negotiations should take place with the federal government regarding the subsequent raising of asset ceilings. An immediate increase should be granted in the allowable limits for everyone, by at least the amount of inflation since the last increase in 1981 (that is, a 50% increase as of 1988), subject to CAP approval.

31. A grace period of at least six months should be established within which those involved in opportunity planning should not be required to dispose of small business, farming, family, or other defined assets.

32. A flexible approach should be taken in defining a liquid asset. The current vague and variable treatment of assets should be replaced with a clear, available, and consistent set of rules.

33. Guidelines should be established to enable all recipients to save for needed assets beyond the asset limitation.

34. With the help of multicultural and Native communities, a set of guidelines and procedures should be developed for dealing with culturally important assets.

35. A second property owned by an applicant should not be grounds for automatic ineligibility, but should be treated as a liquid asset if in fact it can be sold and the proceeds received.

36. The rule relating to the disposal of assets for inadequate consideration should be amended to apply to transactions within a one-year period prior to the application for social assistance.

37. Small and moderate estates should be exempted from consideration as liquid assets, if the estate monies are used in accordance with an approved plan. Approval should be given to plans that use the estate to meet special health, social, or educational needs.

38. A clear, understandable, and available framework should be established for the treatment of income that explains and justifies four different approaches, depending upon the nature of the income and the reasons for its payment:

- unearned income: fully exempted
- unearned income: partially exempted
- unearned income: charged in full
- earned income (discussed in Chapter 6)

39. In the short term, clear rules should be developed exempting reasonable assistance from relatives and friends if this assistance meets needs not met by the present allowance.

40. When a person receives benefits from an earnings replacement program such as workers compensation while benefiting from social assistance earnings exemptions, the treatment of the earnings replacement income should parallel the treatment of earnings.

41. Clear policy should be established as to when resources are deemed to be available to a recipient.

42. Steps should be taken by the federal government either to enforce sponsorship agreements, or to ensure that they are enforced by the province, or to make them enforceable by sponsored individuals.

43. Sponsorship agreements should be reduced in length, preferably to five years or up to the date of citizenship, whichever is earlier.

44. Social assistance should be available to sponsored immigrants, on the basis of need.

45. Sponsored immigrants receiving social assistance should be asked to seek support to which they are entitled under family law. If a sponsored immigrant does not wish to do so personally, the government should exercise its right to seek support.

46. Clear rules should be established in regard to support obligations and the circumstances under which they should be enforced.

47. The treatment of farm income by the social assistance system should be rationalized by setting a farm income policy that allows farmers to stabilize their operations and explore other opportunities while maintaining eligibility for assistance.

48. The market basket approach should be used as the measure of adequacy for all items except shelter. Such an approach should incorporate reference to expert opinion and actual expenditure patterns.

49. The rate-setting process should be established in legislation, along with a requirement for legislative review of proposed changes. The legislation should require, at a minimum, yearly indexation of rates on the basis of the CPI. The statute should require a review of the market basket definition and existing rates every five years by an external committee that reports to a standing committee of the legislature.

50. The existing varying reimbursement "zones" should be abolished and actual shelter costs should be paid up to a ceiling. Shelter costs should include the full cost of hydro and fuel, and when the actual cost of home heating fuel or hydro exceeds the ceiling, these costs should continue to be reimbursed at 100%.

51. The actual average cost of shelter should be established as the shelter reimbursement ceiling. Such costs should be determined by reference to the CMHC Rental Survey.

52. To deal with regional variations, a core standard should be set for all of Ontario, with a second-tier subsidy for regions with higher costs.

53. As a beginning step, recipients should receive 100% of actual costs, up to a ceiling set at the upper end of the range of the current shelter subsidy.

54. To resolve the inequity between boarders and others in respect of shelter subsidies, a special benefit should be provided immediately to boarders to assist them with their hidden shelter costs, transportation, clothing, and personal needs.

55. The distinction between profit and non-profit boarding rates should be abolished.

56. Institutional funding and charging policies in residences under the Homes for Retarded Persons Act should be dissociated from the rate-setting process. Recipients in these homes should receive the rate that they would otherwise receive in the community, and any additional funding required by the institutions should be provided through the direct operating budget. Problems relating to cost-sharing should be dealt with in negotiations with the federal government regarding the Canada Assistance Plan.

57. No change should be made in the funding and charging policies in institutions for the aged.

However, placements of non-aged people in facilities for the aged should be reviewed to ensure that such placements are appropriate for the individuals involved.

58. The comfort allowance should be renamed the personal needs allowance, to reflect its intended purpose.

59. The personal needs allowance should immediately be made uniform with the higher amount that aged people now receive, and should be paid at this level to all who are eligible for it. Clear guidelines should be established regarding what the personal needs allowance is intended to cover. It should not be used to pay for basic needs, which ought to be covered through the funding of the institution itself.

60. The personal needs allowance should be introduced in those institutions, such as psychiatric hospitals, where it is not now paid.

61. A "frugal comfort" approach should be taken to basic needs that includes recognition of the need to reduce stigma and enables recipients to integrate into the community, achieve self-reliance, and exercise choice.

62. The highest GAINS-D rates should be increased to the levels now paid under the GAINS-A program, until further work is done to determine an appropriate rate for the handicapped allowance.

63. Special needs, such as those related to health care, should be funded and delivered where possible through programs directed at the broader population.

64. When a special need is a prerequisite to meeting an individual's basic needs, it should be considered a mandatory benefit. Some funding should be available to meet special needs for items that are desirable but not necessary. Such items should continue to be handled on a non-mandatory basis.

65. Age-related distinctions among children should no longer be maintained in their present form. There should be only two rates: those for children 12 years of age and under, and those for children over 12.

66. The distinction between men and women aged 60 to 64 should be eliminated immediately. All age-related distinctions should be eliminated as the rate structure approaches the level of adequacy.

67. The rates for single unemployable and employable people should be equalized at the higher rate.

68. Regional rate structures should not be introduced, apart from those relating to shelter and the special allowance paid in the remote North.

69. In the short term, when calculating benefits, the average monthly costs of in-kind benefits should be added to the value of the benefit itself.

70. The government should seek methods of harmonizing different needs tests across different programs, with a view to eliminating the major discrepancies that result when the programs operate independently of one another.

5

OPPORTUNITY PLANNING AND HUMAN RESOURCES

This chapter considers the forms of assistance that should be provided directly by the social assistance system itself. The present system focuses upon delivering income and monitoring eligibility, with insufficient recognition that recipients are people in transition who may need and benefit from a range of social and support services. Most recipients do not receive the information and help they require to identify and take advantage of such services.

Staff within the system carry excessive caseloads and heavy workloads, which contribute to an adversarial relationship with applicants and recipients. New technology has in many cases increased rather than reduced workload. Staff responsibilities are not well defined, and there has been little analysis of the specific skills required. Role confusion develops when staff are asked to be, on the one hand, defenders of the public purse, ensuring that only those who qualify receive assistance, and on the other hand, counsellors and advocates for their clients. Over the past decade, the modest amount of training that staff do receive has declined, while the system has become increasingly complex. Staff morale is low and the quality of service has declined.

Recipients must be given the option of another way of life and the possibility of attaining it.

Social and Family Services, Sault Ste. Marie

The current system places conditions upon recipients that are often unrealistic and unrelated to their circumstances. The rules vary by category of recipient and are markedly different from one municipality to another. Little emphasis is placed upon the system's obligation to provide the services that would enable recipients to meet the conditions imposed upon them.

A New Approach

We recommend the development of two primary and distinct but complementary functions in a restructured social assistance system.

One function, performed by the income support worker, will be similar to the present role of the income maintenance worker. Responsibilities will include determining eligibility, providing crisis intervention and emergency referrals, providing applicants with needed information about social assistance and about their rights and responsibilities, and making the important referral to opportunity planning, the next stage of the process.

Opportunity planning will be the system's other primary function. A skilled staff person and the recipient will develop a plan that identifies strategies to enable the recipient to leave social assistance or to live more independently in the community. It will require assessing the individual's skills, aptitudes, and aspirations and linking the recipient to appropriate services, programs, and supports. This form of assistance must become a required part of the restructured system. A number of successful programs, both in Ontario and in other jurisdictions, have included such an individualized planning component.

These two functions should be performed by two different workers. Some tasks and responsibilities should be shared to avoid the lack of co-ordination that can result if the roles are separated completely. For example, income support workers will provide limited opportunity planning for some recipients.

Opportunity planning must be tailored both to the needs of individual recipients and to community resources. Multi-service or other community-based organizations could serve as "opportunity centres" to increase local involvement and to ensure that recipients receive assistance through programs offered to the broader community.

In some cases, it will be more appropriate to deliver opportunity planning by adding to the resources of community-based organizations that have experience working with recipients with specific needs. A growing number of organizations work well with sole-support parents, such as those that provide comprehensive services to adolescent mothers and those that serve the victims of family violence. Young persons leaving home often leave behind serious family problems and are at high risk on the streets; organizations that are skilled at working with such youth and their families could provide effective opportunity planning. A range of agencies providing help to various cultural groups could deliver opportunity planning in ways that overcome the special barriers facing members of Ontario's multicultural communities.

The existing Vocational Rehabilitation Services program already provides a form of opportunity planning to some recipients with disabilities. With the changes we have proposed that will link social assistance and VRS more closely, VRS's role can be greatly expanded. Its mandate should include assisting those for whom employment is not a possibility.

CONDITIONAL ENTITLEMENT

Whether applicants should be required to meet conditions in order to receive benefits is one of the most complex and controversial issues to be addressed in any debate about reform of social assistance. Although most recipients will willingly choose to make the most of their opportunities, we have accepted that conditions should be placed upon some recipients, both to ensure that the system reaches those most at risk of long-term exclusion and dependence, and to reflect the mutual responsibilities and shared obligations of the state and the individual.

The vast majority of persons with disabilities will respond positively to offers of assistance. It is unacceptable to penalize those who, in the face of great obstacles, may be unable – through no fault of their own – to respond to efforts to help them become more self-reliant. There is substantial evidence that it is unnecessary to compel sole-support parents to participate in opportunity planning; as well, the imposition of sanctions in the form of reduced benefits would penalize their children. Those who are elderly or temporarily unemployable should be offered opportunity planning, but their participation should not be mandatory.

Other persons in need who are 16 to 64 years of age should be required to participate in opportunity planning as a condition of continuing to receive full benefits. The requirement to participate in opportunity planning should in itself be conditional on the provision of meaningful help by the government and on the establishment of procedures to protect the rights of recipients, including a grace period and the opportunity to challenge the content of the proposed plan. A special approach should be taken with 16- and 17-year-olds to ensure that they are quickly linked with those who have particular expertise in helping them and their families.

Human Resources

A number of measures should be adopted to recognize the pivotal role played by the staff of the social assistance system and to deal with the current crisis in human resources. Many of the changes proposed elsewhere in our report should aid staff in the performance of their roles, but more must be done.

We recommend the establishment of a joint municipal-provincial committee with responsibility for overall strategies for human resources development. The committee should be empowered immediately to oversee short-term changes in areas such as caseload and training and to lay the groundwork for our restructured system of social assistance.

The government should immediately develop interim caseload standards for front-line workers as proposed by the human resources committee. As part of the effort to meet these standards, extra staff should be hired so that relief workers can be provided when and where needed.

Standards for workload should also be established and implemented as soon as possible. A mechanism must be created to monitor and revise standards for both caseload and workload as necessary. The need for this mechanism will become urgent as the overall reforms we propose are implemented. In addition, the committee should assume responsibility for the development of job descriptions and the implementation of ongoing staff appraisals.

We have also proposed the creation of a joint municipal-provincial committee on training that could function as a sub-committee of the human resources committee. The training committee must have the responsibility and authority to develop a comprehensive training program for front-line workers, supervisors, and clerical staff.

As a first step, the committee should assess existing short-term training needs and suggest ways to improve training programs offered at both the provincial and municipal levels. For example, there is a need to improve the knowledge and skills required to interview and counsel those from various cultures. It must also begin to develop a program of training for the new staff roles and responsibilities in a restructured social assistance system. We suggest, in particular, early collaboration with Ontario's colleges and universities to develop curricula that better prepare students for work in this field.

Both those who receive and those who deliver social assistance have unique and valuable perspectives. We recommend that current staff members be actively involved in the design and implementation of both the immediate and the long-term changes required to human resources policy. Furthermore, the human resources committee should incorporate input from recipients as it designs and develops new approaches.

RECOMMENDATIONS

71. Income support and opportunity planning should be instituted as separate but complementary forms of assistance that are integral to a restructured social assistance system.

72. Opportunity planning should be a required part of a restructured social assistance system.

73. Income support and opportunity planning, being related but separate functions, should be performed by different persons.

OPPORTUNITY PLANNING AND HUMAN RESOURCES

74. Consideration should be given to using existing multi-service or other community-based groups as "opportunity centres" to deliver the opportunity planning program.

75. Existing programs with specialized experience in helping recipients with specific needs should, where feasible, be given the option of serving as delivery agents for opportunity planning.

76. Opportunity planning for recipients with disabilities should be delivered through the Vocational Rehabilitation Services program (VRS), with a formal linkage established between VRS and the social assistance system.

77. The mandate of the VRS program should be broadened so that opportunity planning becomes available to all people with disabilities for the broader purpose of independent community living, including employment. The program should be renamed to reflect this change.

78. Entitlement to benefits for recipients who are disabled, sole-support parents, elderly, or temporarily unemployable should not be subject to conditions, but these recipients should have access to and be encouraged to participate in the opportunity planning process.

79. Recipients other than those who are disabled, sole-support parents, elderly, or temporarily unemployable should be required to participate in opportunity planning as a condition of receiving full social assistance benefits.

80. The obligation to participate in opportunity planning should be conditional upon the formal offer of the assistance of an opportunity planner and must be accompanied by measures to protect the rights of recipients.

81. The government should establish and maintain interim standards that govern caseload size for front-line workers in both the FBA and GWA programs.

82. There should be an immediate increase in staffing to provide back-up or substitute workers when and where they are needed.

83. The provincial government must establish workload standards and implement a mechanism to monitor both workload and caseload on an ongoing basis.

84. A joint municipal-provincial committee on training should be established immediately to develop a comprehensive training program for supervisors, field workers, and clerical staff.

TRANSITIONS

85. A major effort should be made to involve current staff members in the design and implementation of both the short-term and the long-term changes required in human resources.

86. Mechanisms should be developed at the community level to encourage feedback from recipients about the help they receive from the social assistance system.

87. A joint municipal-provincial human resources steering committee should be established.

6

MOVING TOWARDS SELF-RELIANCE

Barriers that impede the transition from dependence to self-reliance exist within the social assistance system as well as within related programs. Dependence upon assistance is also increased by a lack of basic supports and services, which are essential if the efforts of recipients to be self-reliant are to succeed.

These barriers and the lack of supports are enormously harmful. The longer the stay on assistance, the more difficult it becomes to leave, and the greater the risk of long-term dependence. For many recipients who manage to leave the system, the transition from assistance to self-reliance takes much longer than is necessary. The waste to society is tremendous when people who want to be productive members of their communities are not permitted to contribute. It is a completely illogical misuse of public funds to maintain in a state of dependence people who neither want nor need to be dependent.

I believe that one of the basic issues is "Thanks for the help but how can I get off this thing?"

Recipient

Some of the strongest barriers to self-reliance exist outside the sphere of the social assistance system. High levels of unemployment function as the greatest and most impenetrable barrier for recipients. For the majority, a job is the most feasible way of becoming self-reliant. Employment not only provides income; it also provides a sense of belonging and contributing to the community, which increases self-esteem.

The recession of the early 1980s demonstrated the close link between employment and social assistance; as the rate of unemployment increased, the number of applications for social assistance increased. In spite of several years of strong economic growth in Ontario since the recession and a sharp drop in unemployment, the number of people receiving social assistance remains high, which indicates that other barriers to employment remain. For example, newly created jobs have not been evenly distributed across the province, and many of those jobs pay such low wages that recipients who take them often experience a financial loss.

We believe there must be an ongoing commitment and effort to maximize employment opportunities. Governments must take a leadership role. For example, we recommend the development of more flexible work arrangements as a better way of distributing existing jobs. Ontario should expand community economic development initiatives to ensure the creation of jobs in regions of the province with chronically high rates of unemployment.

But even in a full-employment economy, barriers to self-reliance would still exist because of a host of rules and regulations within the social assistance system. They are relics of a bygone era when the "world of work" and the "world of welfare" were seen to be mutually exclusive.

Eliminating Financial Disincentives to Work

A number of existing policies serve as disincentives to move from social assistance into the labour force. For example, restrictions on the number of hours sole-support parents can work without losing benefits discourages them from seeking full-time jobs or part-time jobs that might lead to full-time employment. Only a relatively small amount of income from employment can be kept by recipients before they lose benefits. In many cases, the reduction in benefits is actually greater than the increase in income received from employment, so that recipients are financially worse off by working. The loss of in-kind benefits, like dental care or eyeglasses, when recipients move into the labour force increases the cost of leaving social assistance.

The provincial government must move quickly to eliminate barriers within social assistance that function as disincentives for people to leave the system. For instance, a one-time phase-out benefit of $250 is now provided to recipients who move into full-time employment. We recommend that the benefit be extended on a pro-rata basis to recipients taking part-time work that could lead to full-time employment. Another needed change is the abolition of work restrictions, limitations within both FBA and GWA on the hours that recipients can work before they are cut off assistance. We recommend the elimination of the "120-hour rule" that now applies to sole-support parents receiving FBA. Fully employed persons who are still in need should be eligible for GWA. Finally, Ontario is the only province to use gross rather than net earned income to calculate the amount of social assistance benefits. This provision, which does not take into account mandatory payroll deductions, is unfair and should be replaced by calculations on the basis of net earnings.

TREATMENT OF EARNINGS

Most social assistance recipients may earn some income from employment before their social assistance benefits are reduced. Income treatment is restrictive, however, and provides relatively little incentive to work. It is also applied unevenly and unfairly to recipients because it varies according to category of recipient.

Some but not all of the work-related expenses now incurred by recipients who take a job are defrayed by the work expense exemption. We recommend that the exemption be increased immediately and extended uniformly to all recipients. There should be some flexibility so that extraordinary work-related expenses above the fixed amount can be recognized. In particular, the cost of child care must be included for eligible recipients who do not have access to subsidized child care.

After work-related expenses are considered, most recipients are allowed a basic exemption before benefits are reduced. The level of the basic exemption should be raised as a means of increasing the incentive to work, and all recipients should be entitled to a basic exemption.

As recipients start to earn income above the amounts allowed for work-related expenses and the basic exemption, their social assistance benefits start to be reduced. The rate of reduction is called a "tax-back" rate. The current tax-back rates of 75% and up are unreasonably high. In many cases they effectively exceed 100%, which means that for every additional dollar earned from income, the recipient loses more than a dollar in benefits. Tax-back rates this high serve as a perverse incentive to stay on social assistance. Income above the level of allowable exemptions should be subject to a tax-back rate of 66.66%. We recommend that this uniform rate be applied to all recipients.

These three aspects of earnings treatment are interdependent. Adjustments to any or all of these components must be fully harmonized to avoid creating the disincentives to work that could result if net social assistance benefits became appreciably higher than the earnings of low-income workers.

EARNINGS AVERAGING

The earnings of recipients who work may fluctuate greatly from month to month because of irregular hours. Recipients are now able to average their earnings so they do not lose certain benefits because of unusually high earnings in one month. Unfortunately, the earnings averaging rates vary by category of recipient, creating unfairness and needless complexity. We recommend that the averaging period for earnings be set at six months for all recipients.

TRAINING ALLOWANCES

Recipients who participate in training programs often receive allowances that affect their benefits. The treatment of income from training allowances, however, often differs from the treatment of income from employment, and this disparity can result in financial loss when recipients move from training to employment. We believe participation in the labour force and participation in training programs are equally important; the treatment of income from training programs should be the same as that of income from employment.

The Working Poor

The majority of people who are poor receive some or most of their income from employment. People can work and still be poor for a number of reasons. Many jobs are seasonal or part-time. Wage scales do not recognize family size, so a wage that may be sufficient for a single person will leave a family in poverty. To compound the problem, the purchasing power of the minimum wage has decreased by 22% since 1975. Furthermore, in spite of economic growth, the number of working poor people will probably increase in the future. The service sector, which is booming, generally provides jobs that pay low wages and few benefits.

Although the number of working poor people is large, they receive relatively little income assistance from our existing system of social programs. For years, the lack of help available to the working poor has been the major criticism of Canada's income security system.

Our recommendations will significantly improve benefits provided to people receiving assistance. If increased income assistance is not also available to the working poor, however, recipients will be even more discouraged from working. What is worse, there will be a greater incentive for working people to leave the labour force to collect social assistance. To preclude this possibility, we recommend the implementation of a comprehensive program of income supplementation to top up the wages of low-income workers. Negotiations between the province and the federal government to design and implement income supplementation should begin immediately.

Income supplementation should evolve as a program separate and distinct from social assistance. It will provide a benefit that is available only to people who work but whose income is low. Limited forms of income supplementation already exist in four provinces as adjuncts of social assistance. These should be used as the building blocks of a national shared-cost program. We recommend that the Work Incentive Program be revamped and restructured as the foundation for Ontario's income supplementation program.

However, a program of income supplementation is not a substitute for a fair minimum wage policy. On the contrary, the two are complementary. The introduction of income supplementation must be accompanied by an increase in the minimum wage, based on a formula developed in consultation with business and labour.

Harmonizing the Reforms

The recommendations in this report about minimum wage, income supplementation, and social assistance benefit levels (including the work expense exemption, the basic earnings exemption, and the tax-back rate) have as their objective the maximization of incentives for recipients to achieve self-reliance through employment. These three elements are like the components of a mobile; they must be finely balanced. Shifting one component even slightly without adjusting the other two can harm the balance and operation of the whole system. We recommend that reform efforts ensure that the features of social assistance, income supplementation, and the minimum wage be harmonized as fully as possible.

The proposals we developed for each of these three programs became more modest once we understood the imperative and the effect of harmonization. However, we believe that adequate social assistance benefits must be the fixed variable around which changes in the other two programs are designed and harmonized. Reforms in these three areas must also be harmonized with other programs that affect the income of recipients, including the tax system and housing programs.

Transitional Supports and Services

To complement the financial incentives we have proposed, a range of non-financial services and supports must be available to help recipients make the transition from dependence to self-reliance. Wherever possible, these services must be provided to recipients through the agencies or ministries that have responsibility for delivering such services to the population as a whole.

EDUCATIONAL PROGRAMS

The link between low educational attainment and unemployment and poverty is well established. A variety of educational initiatives will help increase the capacity of recipients for self-reliance.

We are particularly concerned about the large number of people who lack basic literacy and numeracy skills – prerequisites for almost any job. We recommend that the province increase its efforts to combat illiteracy, that literacy programs for recipients be delivered by way of mainstream agencies, and that funding for remedial literacy programs be allocated primarily to community-based voluntary organizations. The best way to attack illiteracy may be to prevent it; consideration should be given to the gradual expansion of voluntary public pre-school education.

Recipients for whom basic literacy is not a problem can find the lack of co-ordination between social assistance and the Ontario Student Assistance Program prevents them from furthering their education. We recommend that assistance for all low-income post-secondary students should be vested exclusively with the Ministry of Colleges and Universities through OSAP.

Efforts should be made to encourage young people to continue their education as long as possible. We recommend expanding the co-operative education programs for students in senior secondary schools and in-school child care programs to better enable adolescent mothers to complete their schooling. To ensure a smoother transition from school to work, consideration should be given to initiating a full-time, voluntary program of community service work for Ontario's youth.

EMPLOYMENT PROGRAMS

An increasing number of programs are being developed to help people enter the labour force for the first time or to return after a lengthy absence. Some are intended to help people keep the jobs they have. A growing body of research indicates that many of these programs have been successful in helping some recipients leave social assistance. We believe that improvement and expansion of such programs can significantly improve the prospects of self-reliance for many recipients.

Although we fully support the development of programs designed to help recipients enter the job market, we are opposed to an approach known as "workfare" ("working for your welfare"). In order to receive welfare, recipients in some American states are forced into make-work and dead-end jobs that have nothing to do with their aspirations or skills.

Workfare is unnecessary. It has been shown to be ineffective and highly stigmatizing. We strongly recommend that there be a permanent prohibition against any such program.

Ontario's major program designed to help recipients move into the labour force is the Employment Opportunities Program. EOP consists of eight separate programs of employment preparation for recipients, with an emphasis on sole-support parents and actual or potential recipients 16 to 24 years old. Some component programs have not been successful, but many have been found to be of particular benefit to certain groups of recipients. As a whole, EOP has been beneficial, and its success will increase as the research results are used to revise individual programs. We strongly support EOP and recommend that its funding be continued.

A variety of other employment preparation and training programs now help recipients to move into the labour force. The federal Canadian Jobs Strategy program and the Futures program delivered by the provincial Ministry of Skills Development are two examples.

Relatively little is known about which programs are most effective with which recipients. We recommend that the ongoing evaluation of all employment and training programs used by recipients should be a major priority. The programs are spread across different ministries and different levels of government, increasing complexity and confusion. Because it is important that services provided to recipients be delivered by the agencies and ministries with responsibility for delivering those services to the population as a whole, we recommend that Ontario develop and implement a comprehensive training strategy that would have all provincial training and employment programs delivered through a single ministry.

Good results could come from fostering and supporting the entrepreneurial spirit of recipients who may be interested in developing small businesses. Experience elsewhere supports innovative approaches such as advancing several months' worth of benefits as working capital for small business ventures.

Employment Supports

It is now understood that supports that enable people to keep jobs are as important as those that help them to get jobs in the first place. These may range from attendant care for people with severe disabilities to work-site counselling programs for employees experiencing marital problems. One of the most important supports to employment is child care.

The lack of child care is one of the greatest barriers to self-reliance facing sole-support parents. Recent federal and provincial initiatives to expand child care so that it becomes a public service are welcome. They must ensure fair and reasonable access for social assistance recipients, however. Sole-support parents receiving assistance who participate in activities to increase their self-reliance should be guaranteed access to subsidized child care.

Supports and Services for People with Disabilities

Many of the services needed by recipients with disabilities will be different from those required by other recipients. As a result, approaches to self-reliance for people with disabilities warrant special attention. Two existing programs delivered by the Ministry of Community and Social Services are particularly relevant: the Vocational Rehabilitation Services program, which is discussed in detail in Chapter 5, and community-based workshops.

Workshops have evolved as the primary vehicle to provide employment and training services to people with disabilities. They have come under increasing criticism because they provide training in segregated, artificial settings. In addition, many workshop participants feel exploited because of low or non-existent wages.

The benefits of transferring training and non-competitive employment from workshops to actual employment settings have already been demonstrated. This and other strategies to increase integrated employment opportunities have been incorporated into Project Opportunity. The province should move aggressively to implement the initiatives of Project Opportunity, including a wage policy that provides all disabled people who work with at least the equivalent of the standard minimum wage.

The range of supports and services required by people with disabilities is broad. They may include attendant care, communication aids, or specialized transportation. In most cases, they will enable people to live independently in the community; in some cases, they will function specifically as employment supports.

We have already stated a clear preference for social assistance recipients to receive services through mainstream ministries and programs. This preference applies equally to recipients with disabilities. We recommend further development and expansion of services for people with disabilities through the mainstream ministries. We also recommend that the VRS program assist those ministries to ensure that the services they develop are adapted to meet the needs of people with disabilities.

Social Services and Supports

The social service system also plays an important if indirect role in helping people to reduce their reliance upon assistance. More resources should be allocated to social services like family counselling and credit counselling as an additional means of helping recipients. There is also a need for an improved social service system in remote and rural areas of the province.

Information we received during the hearings suggests that the social service system does not always assist recipients who have specialized needs. Prospects for self-reliance will be improved if the social service system expands the services provided to Crown wards, victims of family violence, empty nesters, and former psychiatric patients.

We are especially concerned about former wards of the child welfare system. Older wards leaving care are often at their most vulnerable and at a high risk of ending up on assistance. Yet virtually no assistance is available to increase their prospects of becoming independent. Among other measures, consideration should be given to amending the Child and Family Services Act to extend Crown wardship into adulthood if the ward agrees, and to limit the power of the court to end Crown wardship earlier without the ward's consent.

Targeting Services and Supports

The supports and services essential to maximizing prospects of self-reliance for recipients will entail increased expenditures, but public resources are of course limited. Decisions will have to be made about targeting certain services for recipients as well as targeting certain recipients for services.

Social assistance recipients must have reasonable access to the supports and services described above. Given our preference for delivery through mainstream programs, we believe it is reasonable to expect programs to reserve a certain proportion of spaces for recipients. In effect, this amounts to an affirmative action program for recipients.

It is also reasonable to target certain recipients to receive specific kinds of services. If resources are limited, it will prove more cost-effective to concentrate help on recipients who run the greatest risk of long-term dependence. Relatively little is known about long-term dependants, however. We recommend the development of a comprehensive profile of long-term recipients to isolate those variables most related to duration and frequency of dependence upon social assistance.

There is already some evidence to indicate which groups of recipients are most likely to benefit from targeting, and we recommend it be used as the basis for an interim targeting strategy. In particular, young, unmarried mothers collecting assistance for the first time should be given special consideration for entry to programs intended to help recipients become more self-reliant. Furthermore, comprehensive programs should be provided for pregnant and parenting adolescents. Programs in the U.S. that combine services like post-natal care, job counselling, and family planning have been successful in reducing prospects of long-term dependence for this group.

We recommend that there be an automatic review of every recipient not engaged with an opportunity planner after two consecutive years of receiving assistance. The review would assess the effects of previous efforts at opportunity planning and the need for other services that would reduce the prospects for continuing dependence upon assistance.

RECOMMENDATIONS

88. The provincial and federal governments should increase their support for community economic development initiatives in regions of the province with chronically high rates of unemployment.

89. The provincial government should foster the development of more flexible work-time options in both the public and private sectors.

90. The lump-sum phase-out benefit should be extended on a pro-rata basis to those recipients who enter part-time employment.

TRANSITIONS

91. The limitations on full-time work applied to sole-support parents receiving FBA should be abolished.

92. Fully employed single persons and heads of household with spouses should be eligible for GWA.

93. The ministry should adopt the use of net earnings from paid employment as the basis for all social assistance calculations.

94. The amount allowed as a work expense exemption should be increased immediately and extended automatically to all eligible recipients. Exemptions above that amount should be permitted, but only for actual costs incurred for predetermined expenses.

95. Recipients should be permitted to deduct child care expenses as a work-related exemption.

96. The ministry should increase the amount allowed for the basic exemption for both GWA and FBA recipients.

97. All income above the level of allowable exemptions should be subject to a tax-back rate of 66.66% for all recipients.

98. Earnings averaging provisions should be retained, with the averaging periods equalized at six months so that all recipients and their spouses may benefit equally.

99. The earnings treatment applied to income from training and employment preparation programs should be the same as that applied to income from employment.

100. The provincial government should begin negotiations immediately with the federal government to design and implement a comprehensive program of income supplementation to top up the wages of low-income workers.

101. A revamped and restructured Work Incentive Program (WIN) should serve as the foundation for Ontario's income supplementation program.

102. Efforts to reform social assistance must ensure that the elements of a social assistance system, a program of income supplementation, and the minimum wage are integrated and harmonized as fully as possible in order to maximize the incentive for social assistance recipients to achieve self-reliance through employment.

103. The provincial government should increase its efforts to combat illiteracy.

104. Funding for remedial literacy programs aimed at adults should be channeled primarily through community-based, voluntary organizations.

105. Literacy courses for social assistance recipients should be provided by way of general literacy programs available to all members of the public.

106. The provision of adequate financial assistance to enable all qualified low-income students, including those receiving social assistance, to attend post-secondary institutions should be vested exclusively with the Ministry of Colleges and Universities and provided through OSAP.

107. The province and school boards should consider the gradual expansion of voluntary public pre-school educational programs.

108. The province and school boards, in conjunction with business and labour, should initiate an expansion of co-operative education programs for students in senior secondary schools.

109. The province and boards of education should expand the provision of in-school child care programs to encourage and enable adolescent mothers to complete their secondary education.

110. Ontario should give serious consideration to initiating a full-time, voluntary program of community service work for youth.

111. The requirement to "work for welfare" should be prohibited.

112. Funding for the Employment Opportunities Program should be continued.

113. High priority should be assigned to the evaluation of all employment and training programs utilized by social assistance recipients in order to determine their effectiveness in helping participants move into the labour force.

114. A comprehensive training strategy should be developed and implemented that would see all provincial training and employment programs delivered under the auspices of a single ministry.

115. Encouragement and assistance should be provided to recipients interested in establishing small business ventures.

116. Sole-support parents receiving social assistance who participate in activities designed to increase their capacity for self-reliance should be guaranteed access to subsidized child care.

TRANSITIONS

117. The Ministry of Community and Social Services should move aggressively to implement the initiatives of Project Opportunity, including a wage policy that provides people with disabilities with at least the equivalent of the standard minimum wage.

118. All relevant government ministries should further develop and expand the delivery of integrated services that would enable people with disabilities to maximize their potential for independent community living, including employment.

119. As long as the Ministry of Health requires a contribution towards the cost of assistive devices, it should provide an income-tested subsidy for those unable to afford the contribution.

120. VRS should continue to phase out its role as a purchaser of services as services required by disabled people are increasingly provided through mainstream ministries.

121. The VRS program should provide assistance to mainstream ministries and departments, to enable them to develop or adapt their services to effectively meet the needs of people with disabilities.

122. Consideration should be given to amending the Child and Family Services Act to extend Crown wardship into adulthood, if the ward consents, and to limit the power of the court to terminate Crown wardships earlier without the consent of the Crown ward.

123. The Ministry of Community and Social Services should develop a comprehensive profile of long-term recipients of social assistance that would isolate those variables most related to duration and frequency of dependence.

124. As an interim strategy and until further research is initiated, single mothers starting to receive assistance for the first time, and especially those who are young and unmarried, should be given special consideration for access to services designed to help people leave social assistance. Further, particular consideration should be given to pregnant and parenting adolescents.

125. An automatic and comprehensive review of every recipient not engaged with an opportunity planner should be undertaken after two consecutive years of receiving assistance, to assess the outcome of any previous efforts at opportunity planning and the need for other services that may make continuing dependence on assistance less likely.

7

PROGRAM DELIVERY

The way in which social assistance is delivered becomes a statement of the worth of the applicant or recipient. It can enhance or reduce the sense of powerlessness, and it can influence a recipient's decision to take advantage of available forms of assistance.

The present method of delivery is adversarial, complex, and frustrating for both staff and clients of the system. Staff exercise an enormous degree of discretion and do so in a highly variable manner. Present procedures are stigmatizing and many basic procedural protections are absent. Members of multicultural communities are less well served. The system has yet to use technology in a way that appreciably improves delivery from the perspectives of front-line staff and recipients. Finally, a number of intrusive methods of ensuring financial integrity are used, although there is little reliable information about the amount of fraud in the system or the effectiveness of techniques designed to eliminate it.

Five broad changes in the way that assistance is offered must be evident throughout the process.

The delivery of service to families on social assistance should be focussed on giving families or individuals more power and independence... At the very least they should in some way be included in decisions affecting their lives.

Niagara Child Development Centre

ATTITUDE

The attitude throughout the system must demonstrate genuine caring for clients and a belief that they are able to make the transition to independence or to achieve integration into the community while remaining in the social assistance system. Without this fundamental change in approach and attitude, the adversarial nature of the system will remain.

WORKING ENVIRONMENT

Many social assistance offices still reflect the low status accorded to recipients and staff alike. Standards must be set and resources must be allocated so that these offices provide a more positive environment both to those offering service and to those who come for help.

ADVOCACY

Retention of the present adversarial process would justify a major emphasis on advocacy supports. But if our other recommendations are adopted, a less extensive but still positive approach to advocacy would be required. Opportunity planners should function as strong internal advocates. Clients should be advised of the availability of external advocates and encouraged to use them if desired. Legal clinics should be expanded and lawyers better trained to provide representation in this field. Community-based self-help groups can provide effective advocacy services and should be supported in doing so.

AN OPEN SYSTEM

The system as a whole must become an open one that provides applicants and recipients with the information they need to be full participants. The Ministry of Community and Social Services has developed a case information and disclosure manual, and new freedom of information legislation emphasizes the importance of openness, but no consistent efforts have been made to encourage clients to request their files or to inform them of their right to information. When benefits are refused, reduced, or terminated, clients are not given adequate reasons for the decision.

DISCRETIONARY DECISION-MAKING

Few subjects addressed by the committee evoked the high level of criticism aroused by discretionary decision-making. Not one submission favoured the way in which discretion is currently exercised, and the common suggestion was that all discretion in the system should be abolished. Although we agree that the amount should be reduced, discretion must still exist to some degree in a system as large as this one, to provide flexibility and the opportunity to help those who may not fall within the confines of a specific rule. All decision-making within the system should be reviewed to determine the appropriate level of discretion and to improve the quality and consistency of decisions.

A Fair and Effective System

A number of changes should be made at the various stages of delivery to make the system effective and understandable as well as procedurally fair. First, the application for assistance should become a simplified declaration of need. Applicants should receive an explanation of the process and information on how to obtain the assistance of an advocate, if desired. Home visits should no longer be automatic but should occur only when necessary to ensure that the system is not being abused or at the client's request.

Adequate notice, with reasons, should be given of any proposed refusal, cancellation, suspension, or reduction of benefits. There should be an opportunity for a swift internal review, conducted by someone not previously involved in the matter. Interim benefits should be granted pending an appeal if the applicant would suffer financial hardship. If it is proposed that benefits be reduced, suspended, or cancelled, the benefit should continue until the appeal is heard.

Recipients for whom opportunity planning is mandatory should be made aware of the possibility of a reduction in benefits if they fail to participate. Any proposed reduction should be appealable, and this appeal should include the right to question the appropriateness of any plan developed with or for the recipient.

Determining Disability

The current procedures for determining disability involve excessive reliance on clinical judgement, are essentially invisible, produce widely varying decisions, and lack basic procedural protections. The process for determining eligibility for the new handicapped allowance should begin with the applicant's doctor providing information about any impairments and resulting disabilities. Completion of the medical report should be mandatory, and the doctor should be paid for the report in all cases. A medical adjudicator, after reviewing the doctor's report and a lay report, would have authority to grant the allowance. If the adjudicator is unsure or wishes to deny the application, an interdisciplinary professional review committee would review the application, with the applicant and his or her advocate permitted to attend.

Service to Ontario's Multicultural Communities

Those working in the present system lack sufficient skill and understanding to deal effectively with Ontario's multicultural society. Service in French is still not fully available in parts of the province where it is essential. The problem is at least as great for other linguistic minorities. The way in which services are offered continues to reflect a lack of cultural sensitivity. More needs to be done, including training programs for staff, broader ethnocultural representation among staff and on boards and committees, improved interpretation services, and the use of multicultural organizations to provide assistance in appropriate situations.

TRUSTEES AND THIRD-PARTY PAYMENTS

Under the current system, social assistance payments may be made to a third party, with or without the agreement of a competent recipient. Such decisions are generally made in the best interests of the client, but there are no effective checks. Criteria should be established in legislation regarding when such payments are appropriate, and the decision to make them against the wishes of the recipient should be appealable. Under the current system, some 17,000 trustees have been appointed for clients. Here, too, qualifications and criteria for appointment should be established; there should also be ongoing monitoring and a procedure for the possible removal of a trustee who has acted against a recipient's interest.

Appeals

The Social Assistance Review Board has been severely and properly criticized for its procedures, the content of its decisions, and its lack of impartiality. Notwithstanding a number of recent improvements, the procedures of the board fall far short of those required in light of the serious decisions it makes. Board members should be highly qualified, well trained, and effectively supported by in-house counsel. More decisions should be appealable, the right to legal representation should be guaranteed, and there should be full disclosure of all relevant information. The rules of evidence should be followed, and a complete record of the evidence should be available. Interpreters should be provided as required. Adequate reasons should be given for all decisions, with rehearings permitted only in exceptional cases. These are only some of the improvements to the appeal process that we see as a high priority.

Technology

Innovative uses of modern technology could greatly assist the new social assistance system to meet its objectives, providing the technology does not dictate or alter those objectives. Over the past fifteen years, five independent computer systems have been used to support the FBA and GWA programs. The Comprehensive Income Maintenance System (CIMS), which was developed to replace the various other systems, has great potential although it has yet to reduce workload. It is hampered by the complexity of the social assistance system and by an overnight turnaround time on requests for information.

We have outlined a number of ways in which technology might assist recipients. Initial projects should focus upon introducing a voluntary form of electronic funds transfers, "better off working" budgets that would help recipients calculate the overall value of various work opportunities, and personalized entitlement schedules. For staff and administration, initial projects should concentrate upon the reduction or elimination of manual records as well as upon developing systems that monitor workloads, provide staff with up-to-date information about the system itself and about the broader service system, and support new training initiatives.

System Integrity

We have stressed the need to demonstrate that the overall system is achieving its publicly stated objectives. It must also be efficient and not subject to internal abuse. For the public, the ultimate test of the system's integrity lies in its ability to control or eliminate fraud on the part of recipients.

No common definition of fraud is used within the system; for example, it is commonly held to include such things as inadvertent overpayments, which clearly do not amount to fraudulent behaviour. There is only limited reliable research on the amount of fraud, although available figures suggest that the incidence is relatively low.

Many of our recommendations, such as those proposing the payment of adequate rates, and the recent elimination of the "spouse in the house" rule should reduce fraudulent behaviour. Measures to control fraud that are highly intrusive or stigmatizing, or that constitute major violations of individual rights, are never justifiable. But effective and acceptable techniques need to be found that build upon the experience gained elsewhere as well as upon the approaches taken in other areas where public funds are either collected or paid out, such as the tax system and the unemployment insurance program.

The province should establish a special review unit to determine the precise amount of fraud in the system and to develop methods of detecting fraud that are effective but as unintrusive as possible. A new approach should be taken to overpayments that limits the right to collect those that are due to system error and alters the procedures and time limits applied to those that are due to error on the part of recipients.

RECOMMENDATIONS

126. Standards should be developed to ensure that social assistance offices are positive environments for both staff and clients.

127. Social assistance workers, and opportunity planners in particular, should be trained to act as internal advocates on behalf of their clients.

128. Clients should be made aware of the availability of external advocates and encouraged to make use of them if desired, from the time of first contact with the system.

TRANSITIONS

129. The system of community legal clinics should be expanded to ensure that legal advocacy services are available to applicants and recipients.

130. Specialized training should be offered to lawyers who provide legal aid representation in the social assistance field.

131. Financial support and encouragement should be provided to community-based self-help groups providing and seeking to provide effective non-legal advocacy services.

132. The social assistance system should be an open one, providing clients with full access to their files from their initial application through to appeal or their leaving social assistance. Full access should include any information that forms the basis for reports or decisions, whatever its source.

133. Consistent with new Ontario legislation on freedom of information, wherever possible, information needed for social assistance purposes should be collected from the client. Exemptions from this rule should be clearly stated in legislation.

134. All types of decisions within the social assistance system should be reviewed to determine the appropriate level of discretion for each case.

135. Efforts should be made to improve the quality of discretionary decision-making through accurate fact-finding, consistent application of law and policy, training, and more effective review of decisions.

136. An application for assistance should be a simplified declaration by the applicant, indicating that he or she is in need and providing sufficient information to indicate that he or she qualifies for benefits under a simplified system.

137. Home visits should not be automatic, but should occur only at the request of the client, at random, or when necessary to ensure that the system is not being abused.

138. A new procedure should be introduced to determine eligibility for the proposed handicapped allowance. It should incorporate the following elements:

- A physician's report and a lay report should be submitted to a medical adjudicator.
- The adjudicator should have authority to grant the allowance. If the adjudicator decides not to grant the allowance, the application should be reviewed by a multidisciplinary Professional Review Committee.
- The applicant and an advocate should be permitted to attend the deliberations of the Professional

Review Committee.

- Physicians should be required to complete medical reports for applicants and should be paid for doing so. Appropriate civil protection should be granted to those who complete such reports.
- All reports and other information should be made available to the applicant.
- The Medical Advisory Board should be abolished.

139. The government should place a high priority on ensuring that the forms of assistance provided by the social assistance system are available in French across the province.

140. Ethno-cultural representation should be increased on boards and committees within the social assistance system. Additional staff should be recruited from multicultural communities for all levels of the system; front-line staff should be recruited from various ethnic communities to work with non-English-speaking applicants where numbers warrant.

141. Resources should be made available to permit access to trained interpreters as required. More information about the social assistance system should be provided in the languages of clients.

142. Training programs should be established for staff that include a focus upon race relations and cross-cultural studies.

143. Multicultural organizations should be retained to provide information, advocacy, referral services, community education, consultation on specific cases, assessments, and counselling.

144. Present methods of assessment should be reviewed to ensure that they are culturally appropriate.

145. The capacity to make social assistance payments to third parties should be retained, subject to the following safeguards:

- The criteria for third-party payments should be established in legislation. At a minimum, clear evidence that a client has in the past mismanaged or is likely in the future to mismanage his or her finances should be required.
- Decisions to authorize third-party payments should be subject to periodic review.
- Decisions to pay to a third party must be appealable to the Social Assistance Review Board.
- When a recipient wishes to have third-party payments terminated, the onus should be on those who wish to continue them to justify the necessity of doing so.

146. Qualifications and procedures should be established for the appointment of trustees. These should include a requirement of ongoing monitoring of the trustee's performance and a procedure for the removal of any trustee who has acted contrary to the interests of the recipient.

TRANSITIONS

147. Attachment of social assistance payments should be prohibited by legislation.

148. Whenever it is proposed that benefits be refused, cancelled, suspended, or reduced, or whenever any other appealable decision is made, the applicant or recipient should receive adequate notice providing meaningful reasons.

149. Prior to an appeal to the Social Assistance Review Board, an informal, internal review should be conducted by someone who was not involved in the disputed decision and does not supervise the person who made it. The client should be permitted to bring an advocate to the review, and the client or advocate should have full file access.

150. If it is proposed that benefits of a recipient be reduced, suspended, or cancelled, and the recipient appeals, benefits should automatically continue until a final decision is rendered by the Social Assistance Review Board.

151. If a person has been refused benefits at the initial application stage, interim benefits should be granted if an application to the Social Assistance Review Board reveals that the person would suffer financial hardship pending the appeal.

152. Members of the Social Assistance Review Board should be highly qualified and should undergo extensive and ongoing training in order to carry out their duties properly.

153. The right of appeal should extend to decisions regarding those non-mandatory benefits that ultimately will form part of the basic allowance. Once those benefits become mandatory, the right of appeal should be limited to decisions regarding the basic allowance.

154. When failure to participate in an opportunity plan leads to a proposed reduction in benefits, the merits of the plan should be appealable as part of the review of the proposed reduction.

155. The board should immediately establish an in-house counsel office.

156. Procedures at the Social Assistance Review Board, both before and during hearings, should be non-threatening and should demonstrate respect for the client.

157. Three board members should hear each case. This number should be reconsidered as the quality of hearings improves.

158. The appellant should have full access to all materials contained in the file held by the ministry or municipality as well as full access to the board file in the matter.

159. The board should issue summonses as requested by the parties as well as on its own volition.

160. If an applicant or recipient has received notice of an intention to refuse, cancel, suspend, or reduce benefits, he or she should have 15 days to request an internal review. The internal review should be conducted and a decision rendered within 10 days after the review is requested. Following receipt of the decision made at the internal review, the applicant or recipient should have a further 15 days in which to launch an appeal to the board. If the client does not take any of these steps in a timely fashion, then interim benefits would cease. However, there should be provision for extending the time periods if circumstances warrant, in which case interim benefits would be reinstated.

161. Appellants should be entitled to legal representation before the Social Assistance Review Board. Measures should be adopted to ensure that appellants are made aware of their right to legal representation at the time the appeal is initiated. Duty counsel should be available at board hearings in larger communities. Smaller communities should have toll-free access to a permanent duty counsel office in Toronto.

162. An automatic adjournment should be granted if an appellant wishes to obtain legal representation. If a hearing date has already been set with the concurrence of the appellant's legal representative, then the board should grant an adjournment only in exceptional circumstances.

163. The board should explain to those appellants proceeding on their own that free legal services are available, as well as the possible ramifications of proceeding without legal representation.

164. Measures should be adopted to ensure that transcripts can be obtained after every hearing.

165. The board should be able to conduct hearings in French when requested to do so.

166. The board should have interpreters available as required for speakers of languages other than French and English. The board should attempt to learn prior to a hearing whether an interpreter will be needed.

167. The onus should be on the social assistance authority to prove the case against the appellant if it is proposed that benefits be reduced, suspended, or terminated. If benefits have been refused on initial application, the onus should remain on the appellant to meet the respondent's prima facie case.

168. Training of board members should pay particular attention to evidence, the weight given to written submissions, and the determination of credibility. The legislation should continue to allow the Director or welfare administrator to present his or her case by means of a written submission. A copy of any such submission should be distributed to the parties at least seven days prior to the hearing.

169. Hearings before the board should be held in private unless the client requests a public hearing.

170. The board should have the authority to affirm, rescind, or vary a decision made by the Director. A matter should not be referred back to the Director in order for the Director to make the decision, but only in order for the Director to carry out an order issued by the board. The Director should receive copies of board decisions concerning his or her department.

171. The board should issue decisions within 15 days of the completion of the hearing, with extensions permitted in exceptional cases.

172. Only those panel members who have actually heard a case should make the decision, and one of those panel members should write the reasons for the decision.

173. The board should be required to give reasons for its decisions.

174. If a party wants a reconsideration hearing, he or she should be required to apply to the board for leave. The board should grant leave only in exceptional circumstances. If leave is granted, the hearing should be conducted as a new hearing.

175. Board decisions should be published and indexed, while maintaining appropriate confidentiality. In addition, the board should establish and publish its procedures.

176. Feasibility studies, followed by pilot programs, should be developed and tested in the following areas:

- the reduction or elimination of manual records management systems;
- on-line update and instant cheque production capabilities as possible enhancements to the current system;
- voluntary electronic funds transfers through direct bank deposits or "smart" cards;
- "better off working" budgets for clients;
- personal entitlement schedules for clients; and
- systems for staff that monitor workloads and productivity, provide up-to-date information on services, and serve as training and information tools with regard to policies and procedures.

177. Within the social assistance system, fraud should be defined as the intentional provision of false information, or the withholding of information, where such provision or withholding results in the receipt of benefits that would not have been received if the person's true circumstances had been known.

178. The province should establish a centralized unit, with appropriate branch offices, having the responsibility to:

- ascertain the amount of fraud within the social assistance system;
- develop, test, and evaluate promising methods of detecting fraud that would be compatible with the principles that should guide the system;
- develop publicly stated policies regarding the detection and prosecution of fraud; and
- investigate allegations of fraud, determining when such cases should be referred for prosecution.

179. It should not be possible to collect an overpayment resulting from administrative error on the part of the issuing authority. An exception should exist if the amount of the payment or other circumstance makes it clear that an overpayment has occurred and the client was aware of or recklessly disregarded this fact.

180. In the case of an overpayment resulting from inadvertent client error, recovery should be limited to those overpayments made over the previous 12 months. It should be possible to recover such monies from future payments, subject to a right of appeal to the Social Assistance Review Board if it is felt that deductions would cause severe hardship.

181. When an overpayment has been made to a person who no longer receives benefits, an efficient method of establishing and recovering the overpayment should be established, with a right of appeal to the Social Assistance Review Board.

8

ADMINISTRATION AND FUNDING

This chapter deals with the structural changes and funding arrangements needed to support the new unified social assistance system. The changes we recommend in administration and funding must be part of fundamental reform of the system as a whole.

Much of the debate about who should deliver social assistance has been predicated on the system as it is now delivered. Some of the criticisms directed at those now delivering social assistance are valid, but in many cases such criticism has functioned as a substitute for broader concerns about the content of the social assistance system. The committee has turned its focus away from determining which level of government has been most successful in delivering the current inadequate system to asking how best to deliver the very different system we have recommended, so that the needs of clients and the objectives of the new system are met.

Although not apparent at first glance, the complexities of the system challenge the best of bureaucrats among us to administer benefits in an equitable manner.

Art Pope, Ottawa Region Social Services

Problems with the Existing System

Across Ontario, a variety of administrative structures are used to deliver the two tiers of social assistance. Generally, the province delivers FBA through the area and local offices of the Ministry of Community and Social Services. Eight municipalities deliver a partly integrated program by providing FBA to sole-support parents. In some parts of Southern Ontario, GWA is delivered by a regional municipality, in others by a county or a city administration, and in other areas by individual municipalities within unconsolidated countries. In Northern Ontario, applicants for GWA may go to a District Welfare Administration Board, a city social assistance office, a municipality within an unconsolidated district, or a provincial office in areas where there is no municipal organization.

The problems with the current delivery system start with the two-tier structure. It causes confusion for clients and is administratively inefficient. Clients often move back and forth between the two systems; in many cases people in the provincial program must go to the municipal program to have their emergency or special needs met. The confusion within the system would remain even if a clear distinction could be made between short-term and long-term clients. Administrators at the "lower" (that is, short-term) level would continue to spend considerable time preparing clients to move to the "upper" level. In addition, the perception of a system with "upper" and "lower" tiers reinforces differing treatment and stigmatization of recipients at the municipal level.

Social assistance is a provincial responsibility, but in the existing system, the province does not exercise its authority sufficiently. The array of rules, directives, and policy guidelines issued by the province do not provide direction on some of the most important issues, such as eligibility criteria and required procedures. Even when direction is clear, the rules are often poorly monitored and enforced, or those delivering the program are not properly trained to do so.

There are no provincial minimum standards for GWA and FBA programs on such issues as caseload size, staff training requirements, and office design. This results in especially wide variation at the municipal level in the way assistance is provided. GWA and FBA administrations range from a small office with a part-time welfare administrator offering over-the-counter service only two or three days a month, to a large organization with a sophisticated administrative and office environment and a large complement of full-time, trained staff.

The funding arrangements for social assistance are complex, confusing, and often illogical. They are administratively inefficient, with significant resources required to claim subsidies and monitor the flow of funds. Worse, the funding arrangements create disincentives to effective administration of the program and actually act as incentives to keep people dependent upon assistance, rather than helping them to become self-reliant again.

For example, municipalities receive 80% of the cost of most GWA allowances and benefits from the federal and provincial governments. However, most costs for administration and monitoring of cases are shared on a 50-50 basis with the federal government or paid 100% by the municipality. Municipalities are required by law to pay assistance where need has been established, but they are not required to provide support services to clients to help them leave the system. For instance, cost-sharing arrangements in social services can make it less expensive for a municipality to leave a sole-support parent on FBA than to provide funding for subsidized child care that would enable the parent to enter the labour force.

In addition, the funding arrangements fail to recognize sufficiently variations in revenue base from one municipality to another. Differences in cost-sharing arrangements for special-needs items for FBA clients and for GWA clients encourage unequal treatment.

The links between social assistance and the related services needed by social assistance recipients are flawed. In some communities, there are few services with which to link; in others, there is a lack of co-ordinated planning and program development.

The New Delivery System

The move to one unified benefit structure necessitates a similar approach to delivery. Not only must there be only one delivery structure, but the level of government responsible for social assistance must be responsible and accountable for both the income support and opportunity planning functions in order to avoid serious co-ordination problems.

There has been much debate about who should deliver social assistance – the province or the municipalities – with little consensus on even the terms of the debate. Those in favour of provincial delivery emphasize the potential for greater control over the system, greater accountability and consistency, easier monitoring and delivery standards, a clear link between provincial standards and actual delivery, and stronger links between and within senior governments. Those in favour of municipal delivery argue that it would capitalize on a tradition of local government involvement, promote closer contacts with and accountability to the local community, be more responsive to community needs, allow for greater innovation, flexibility, and accessibility, and provide closer links to other social and employment services at the local level.

We believe the province must assume greater overall responsibility for social assistance and must deliver the program where this is necessary to achieve the objectives we have set for it. However, choosing one level of government to deliver province-wide, and identifying it as equally competent across the province, ignores the reality that different parts of the province have different histories and varying capabilities. The objective should be to designate in each area the delivery agent that is best able to provide service to applicants and recipients. If the province creates the very different program we have recommended, if standards are set regarding how the program is to be delivered, and if the province is prepared to set and monitor the conditions under which local delivery is permissible, then we would support municipal delivery of the unified program where these conditions are met, for three reasons.

First, a locally based and controlled opportunity planning process increases the likelihood of a strong linkage between that process and the growing range of social and support services delivered at the community level. Since responsibility for both income support and opportunity planning should fall to one level of government, this supports municipal delivery of the unified program where possible. It is also within opportunity planning that flexibility and innovation in response to local circumstances are most needed. Local government involvement in delivery increases the likelihood of this happening. Second, we believe municipal delivery would promote greater community understanding of and involvement in the program. Finally, municipal delivery makes it possible to take advantage of those effective, innovative programs that now exist at the local level to help recipients.

The conditions for municipal delivery established by the province should include the following:

- acceptance of all elements of the new social assistance program;
- commitment to developing an annual service plan, with measurable goals and objectives, for review by the province;
- a municipal structure of viable size, including full-time professional administration of the program;
- agreement to abide by the provisions of the French Language Services Act;
- demonstrated capabilities in administration and planning;
- a proven capacity to work with the community and with other government and private agencies delivering services.

DELIVERY TO PERSONS WITH DISABILITIES

In light of our proposals for federal or provincial disability insurance and benefit programs, we recommend that in the short and medium terms, the province continue to administer social assistance to disabled people. It would be impractical and ineffective to move these recipients to the municipal level now, only to move them later to the provincial or federal level. In addition, the province is more experienced in providing opportunity planning to people with disabilities. Once the disability benefit program has been created, a one-tier social assistance program will be fully in place.

Implementation

In the short term, we recommend that the provincial government require the consolidation of social assistance in all unconsolidated counties or districts. The province should also encourage and support consolidation of separated cities with surrounding counties or districts where the population size and resources of either do not support viable separate administrations. Where proposed consolidations have not occurred by the time the new social assistance legislation is passed, the province should deliver the program.

The province should move immediately to set the conditions that municipalities must meet to deliver social assistance and the process for assessing a municipality's ability to deliver the new program. At the same time, it should begin to develop methods of service planning with municipalities and an effective system for monitoring municipal delivery. It must also prepare to take over delivery where either the ability or the willingness to deliver the program locally is not present.

The eight municipalities that now deliver a partly integrated program should continue to do so while they seek to meet the new conditions for municipal delivery of the fully unified program. Once those conditions are met, these municipalities should also assume the entire caseload that will ultimately be served at that level. The partly integrated program should not be expanded until municipalities wishing to join the program have met the new conditions.

Because social assistance for disabled persons will remain with the province, we believe the delivery of special-needs items to disabled persons should be transferred to the province.

Co-ordinated Policy-making and Planning

Given the breadth of the reforms we recommend and the broad range of services to which recipients need access, how do we ensure co-ordination of planning and policy development within and between levels of government and within communities?

The federal government must be a major participant in the design of the new system; we have outlined the specifics of federal involvement elsewhere in this report. At the provincial government level, a much greater emphasis must be placed on development of social assistance policy, including broad consultation with those affected. As well, the province must take steps to develop an integrated strategic plan for the economically disadvantaged.

We have considered whether an integrated provincial approach requires organizational restructuring of the present ministries. We are opposed to creating a separate ministry for social assistance. However, the province should locate all employment programs for the disadvantaged in one ministry. This would be an important first step in co-ordinating what is now a confusing mix of programs for those with employment difficulties.

We considered whether more organizational change is required to reinforce the essential linkage between social assistance and employment programs. Recent initiatives in this area include the so-called "four-cornered agreement". This agreement, coupled with a government-wide strategy for the economically disadvantaged, might make further organizational restructuring unnecessary. If these measures seem insufficient, then the melding of social assistance and employment programs into one ministry should be considered. If this is done, care must be taken not to create new and larger barriers, especially for those who seek the social supports that make employment possible and for those whose opportunities are outside the labour force.

The province must improve its capacity to develop and present integrated plans at the area or community level that implement the provincial strategic plan for the economically disadvantaged. A co-ordinated area plan would establish measurable goals for social assistance, including resources assigned to opportunity planning and the projected results of such planning. It would include consideration of employment supports such as child care, as well as health care, housing, educational programs, and other services in the area.

Communities must be active participants in the planning process. We examined several models for community-based planning structures but concluded that the complexity and uniqueness of any attempt to produce local co-ordination and planning on this scale argue against premature choice of one particular model. Instead, we propose the testing of innovative community-based approaches. There are already some existing organizations that might take on this task.

New Funding Arrangements

Cost-sharing arrangements must support the new program and complement the changing roles and responsibilities we have proposed. For many municipalities, the possibility of assuming the role we have envisaged for them depends upon appropriate cost-sharing arrangements. And because our overall proposals require added funds, appropriate cost-sharing arrangements become one important way of ensuring that the necessary funds are there to implement them.

Social assistance funding arrangements are also part of a broader funding environment that includes cost-sharing of other social programs and the whole range of provincial-municipal transfers. There is a plethora of cost-sharing arrangements in various services; those applicable to social assistance represent only some of the myriad of arrangements now in place.

The committee's ability to recommend meaningful reform of funding arrangements for the new social assistance system was significantly compromised in two respects. First, it is extremely difficult to make decisions without consideration of the entire range of provincial-municipal cost-sharing arrangements. A fundamental change in cost-sharing arrangements for social assistance could have a real impact upon the ability to provide service in other cost-shared program areas.

The province has appointed the Provincial-Municipal Social Services Review to examine cost-sharing across the broader social services field. However, even the

PMSSR's mandate may be too narrow because it does not include all the other provincial-municipal cost-shared programs outside social services. A broader analysis that looks at the wider impact of cost-sharing is required, but this was well beyond our mandate. Accordingly, we have limited our proposals and directed them at those who will be engaged in the broader review.

The second limitation relates to the unresolved debate over the municipal property tax. Throughout our consultations, the most common argument put forward in favour of relieving municipalities of cost-sharing responsibility for social assistance related to the property tax, which is seen by some as regressive. However, a review of existing research provided no clear answer. There are other arguments related to the appropriateness of the property tax for financing social assistance, but the regressivity issue was not one on which we could take a conclusive position.

Within these limitations, we have reached a number of conclusions. We believe that social assistance is too volatile a program to depend on the relatively small tax base of many municipalities. It is also a mandatory program, in the sense that allowances and benefits must be paid when need exists. Funds must therefore be found from other municipal program budgets, if necessary, when there is an unexpected increase in the need for social assistance. In addition, in periods of economic slowdown, the tax base is eroded at the very time when the social assistance budget is most strained by an increase in program costs. These reasons alone, in our view, make the social assistance income program the least appropriate of all social programs to depend for part of its funding on the municipal property tax. We recommend that full financial responsibility for social assistance allowances and benefits should rest with the senior levels of government.

Provincial funding would remove any disincentive to reading eligibility criteria broadly, thus promoting a consistent level of service across Ontario. We are satisfied that effective monitoring and service planning by the province and municipalities can ensure that funds are spent effectively and efficiently, without a municipal contribution. We expect the PMSSR to consider how best to adjust overall cost-sharing arrangements to avoid a major financial windfall for municipalities.

Municipalities should contribute to the cost of administration of social assistance, including opportunity planning. This contribution should be made whether or not the municipality delivers social assistance; this requirement would avoid any disincentive to municipal delivery of social assistance where a municipality can meet the established conditions for delivery.

Some interim financial measures should be implemented in the short term. The full cost of Supplementary Aid to persons with disabilities should be funded by the province. The provincial and federal governments should fund 80% of the cost of

Special Assistance for GWA clients, at least for those items that we have recommended become mandatory. To support opportunity planning, consideration should be given to reducing the municipal share of administrative costs for social assistance by introducing a provincial share.

RECOMMENDATIONS

182. The province should assume full responsibility for defining the essential elements of the social assistance program, establishing standards of delivery, and ensuring that those standards are met.

183. The present two-tier delivery structure, which distinguishes between short-term and long-term need on the basis of categories of eligibility, should be abolished.

184. The level of government delivering social assistance in a given community or area of the province should be responsible and accountable for both the income support and opportunity planning functions.

185. The provincial government should deliver the new social assistance program where necessary to achieve the objectives established for the program. The province should delegate to local government the responsibility to deliver the social assistance program where at least the following conditions are met:

- acceptance of all elements of the new social assistance program;
- commitment to developing an annual service plan, with measurable goals and objectives, for review by the provincial government;
- a municipal structure of viable size, including full-time professional administration of the social assistance program;
- agreement to abide by the provisions of the French Language Services Act;
- demonstrated capabilities in administration, human resources management, financial management, technological systems, and planning and co-ordination; and
- a proven capacity to work with other government and private agencies delivering social and employment support services in the community, and with the community at large.

186. The delivery of both income support and opportunity planning to persons with disabilities should be a provincial responsibility in the short to medium term.

187. The provincial government should require the consolidation of social assistance in all unconsolidated counties and districts. It should also encourage and support consolidation of separated cities with the surrounding counties or districts, where the population size and resources of either do not support viable separate administrations. Where proposed consolidations have not occurred by the time new social assistance legislation is passed, the province should deliver the program directly.

188. The provincial government should begin immediately to establish the conditions for municipal delivery and the process for assessing a municipality's ability to deliver the new program. At the same time, it should begin to develop methods of service planning with municipalities and an effective system for monitoring municipal delivery.

189. The present partly integrated program should not be expanded into new municipalities unless the provincial government is first satisfied that each municipality can meet the conditions for delivery of the new social assistance program. Existing or new unified locations that are deemed to meet the conditions should assume responsibility for the entire caseload that will ultimately be served at that level.

190. Responsibility for providing special-needs items for disabled persons – currently vested in municipal Supplementary Aid – should be transferred immediately to the provincial social assistance delivery system.

191. Staff affected by changes in roles and responsibilities and their representatives should be fully consulted and involved in the planning and implementation of the proposed changes.

192. The provincial government should commit more resources to enable a major emphasis to be placed on the development of social assistance policy, including broad public consultation with those affected.

193. The provincial government should develop a strategic plan for the economically disadvantaged to guide policy and program activity for all relevant ministries.

194. Changes in organizational structure and accountability within the Ontario government should include locating all employment programs for the disadvantaged in one ministry. If necessary, consideration should be given to the viability of locating social assistance and employment programs in a single new ministry.

195. Consideration should be given to improving provincial planning and co-ordination of social assistance and related programs at the regional and area level by:

- developing more uniform regional and area boundaries, planning and funding cycles, levels of delegated authority, and use of local planning mechanisms among the relevant ministries; and
- creating regional or area plans with measurable goals and objectives. Such plans should include a

statement of the objectives and resources for social assistance and for mandatory employment-related services such as child care.

196. Innovative community-based pilots should be introduced to enable an evaluation of the effectiveness of different models for local planning and co-ordination of social and support services for the economically disadvantaged.

197. The full financial responsibility for social assistance allowances and benefits should rest with the senior levels of government.

198. Appropriate adjustments should be made in provincial-municipal cost-sharing arrangements to ensure that there is no major windfall to local governments from changes in cost-sharing of social assistance allowances and benefits.

199. Municipalities should contribute to the cost of administration, including opportunity planning. Such a contribution should be made whether or not the municipality delivers social assistance.

200. The Provincial-Municipal Social Services Review should complete its work, using the funding recommendations in this report as a guide. It should develop a specific proposal for sharing administrative costs that takes into account differing municipal abilities to pay and avoids disincentives to taking on delivery responsibility.

201. In the short term, full funding of Supplementary Aid to persons with disabilities should become a provincial responsibility.

202. In the short term, 80% of the cost of Special Assistance for GWA clients should be funded by the provincial government, at least for those items that become mandatory.

203. In the short term, consideration should be given to reducing the municipal share of administration costs for social assistance by introducing a provincial share, provided that this does not interfere with longer-term cost-sharing arrangements.

9

NATIVE COMMUNITIES

This chapter deals with the Native peoples of Ontario and their vision of how to help themselves – how to break out of the circle of poverty and dependency. Our decision to deal with Native social assistance in a separate chapter reflects the unique position of the Native peoples of Canada and flows from the basic objectives of this committee. For Native communities, we believe that the only way to achieve transition from dependency and exclusion to autonomy and integration is to vest control of social assistance within the communities themselves.

The cultures of the original inhabitants of this land are different from those of the mainstream societies. Their history in Canada is unique. To ignore the singular position of these people and try to fit them into the solutions we have drafted for society at large would be to perpetuate the attitudes of the past – attitudes that have contributed to the economic, political, and social isolation of Native communities.

> **Indian people must help Indian people. Indian communities must define their own problems and solutions, and help themselves first.**
>
> **Mississauga Indian Band Council, Blind River**

The Delivery System

Most Indian bands deliver their own General Welfare Assistance. The GWA Act designates Indian bands as delivery agents and gives them essentially the same powers and responsibilities as municipalities. They appoint their own welfare administrators. Claims and accounts come under review by provincial authorities.

Native persons in need of assistance living off-reserve must use the same delivery system as the non-Native population. The Family Benefits program is delivered by the provincial government to all Native clients, no matter where they live.

Delivery of GWA by bands is preferable to the existing alternative – delivery from outside the community – but it is not a satisfactory arrangement. The provincial rules and regulations are not geared to the Native traditions or way of life. Native people seeking assistance off-reserve generally do not have access to culturally appropriate services tailored to their needs. When they use the non-Native system, they are vulnerable to cultural insensitivity.

THE CONSTITUTIONAL CONTEXT

The federal government has constitutional authority in relation to Indians and Indian lands. Provincial governments have jurisdiction in the area of social services. To ensure the complementary operation of laws under these two jurisdictions, the federal and Ontario governments signed the Indian Welfare Agreement in 1965. Under this agreement, Ontario committed itself to the extension of all its welfare programs to Indian people, and the federal government committed itself to contributing to provincial costs for "Indians with reserve status", for the costs of services provided under the GWA Act, the Child Welfare Act (now replaced by the Child and Family Services Act, 1984), the Day Nurseries Act, and the Homemakers and Nurses Services Act. A set formula is used to calculate cost-sharing. Since 1965, the federal share has hovered around 95%. The FBA program does not fall under the agreement because it did not exist when the agreement was signed.

The agreement covers only services to Indian people living on reserves or Crown land settlements or who have been living in a municipality for less than 12 consecutive months. It does not include services to other Native persons – that is, Métis and non-status Indians, Inuit, and registered Indians who do not live on reserves.

THE WIDER PERSPECTIVE

This committee is acutely aware that a better social assistance system will not solve the root problems of Native communities. Native communities have long felt excluded from decisions affecting them, decisions related to economic and social development on and off reserve land.

The opening up of opportunities for people in Native communities requires a broad range of economic and political initiatives that go far beyond social assistance programs. As we have said in other parts of this report, co-ordination in planning and co-operation in delivery are essential to overcome the compartmentalization of services. In the case of Native communities, we must add the vital elements of cultural appropriateness and community control.

Aboriginal Self-Government

Native peoples have a clear vision of the future they want for themselves. It is a future in which they are in charge of their own communities, a vision of self-government within Canada and a full and equal partnership with the rest of the country.

The Ontario Confederacy of First Nations has identified four principles for development of social and other community services. These services must be First Nation-specific, reflecting their culture in form and content; First Nation-determined, involving control over planning and development; community-based, with services developed and delivered within communities; and First Nation-controlled, with operations managed under the authority of First Nation councils and laws.

We recommend that any changes in the social assistance system affecting Native people be consistent with the objective of self-government. For off-reserve Native people, reform should also be consistent with the goal of Native-designed and Native-run social assistance services and programs.

Reforms and Transitions

The committee sees three necessary steps in enabling the Native peoples to design and deliver culturally appropriate social assistance and related services. Throughout all these phases, including the drafting of legislation and the process of implementation, there must be ongoing consultation with Native peoples. The three steps are short-term reforms that do not require legislative change; new legislation specifically directed at Native communities, giving them wide discretionary powers to design and deliver their own social assistance programs; and ultimately the transfer of legislative control over social programs to aboriginal governments.

The short-term reforms and the work to develop provincial legislation should begin immediately. We also urge the Ontario and federal governments to commit themselves to negotiate changes in the Indian Welfare Agreement with the First Nations and to develop a framework for negotiating transfer of legislative control over social assistance and related services to First Nations governments.

SHORT-TERM REFORMS

A number of issues have been ongoing irritants in relations between the province and the Indian bands for so long that they have become symbols of an overall lack of progress towards the objectives of the First Nations. Immediate action on these short-term reforms is vital as an indication of good faith on the part of the provincial government.

For example, the province is generally reluctant to provide programs to Indian bands if there is uncertainty over the federal government's willingness to share the costs. We recommend that the province provide to Native peoples any new social assistance benefits and related services, regardless of whether cost-sharing is assured under the 1965 Indian Welfare Agreement.

We recommend increased efforts to ensure that more high-level and front-line jobs in the Ministry of Community and Social Services are filled by Native people. There should also be Native membership on the Social Assistance Review Board. Non-Native ministry staff who may be dealing with Native clients should be given training in cultural sensitivity to help them understand Native traditions. Other needs include training for band welfare administrators and funds for co-ordination of services.

During the first phase of reform, the Indian Welfare Agreement should be retained. The agreement is an artifact of an earlier time; it was not premised on Native-designed and Native-controlled services, nor was it negotiated with the participation of the Indian peoples. But despite its shortcomings, it is an open-ended cost-sharing agreement at a time when such agreements are rare. It should be retained until appropriate changes are negotiated or until an improved agreement is signed by the two governments and the First Nations.

PROVINCIAL LEGISLATION

The second phase should be development of provincial legislation that enables the government to vest control over social assistance in Native communities. The preferred solution would be complementary federal and provincial legislation giving Indian bands broad authority over their own social assistance and related services. Legislative action by both governments would make the transfer of responsibility constitutionally unassailable. But we recognize that, in practical terms, this may take some time to achieve. Accordingly, the province should proceed as far as it can within the limits of its own legislative authority, in co-operation with Native leaders.

This medium-term initiative will also require tripartite negotiations, because changes will be needed in federal-provincial cost-sharing arrangements. Amendments to the Indian Welfare Agreement will be necessary to coincide with creation of a new social assistance system that unifies the GWA and FBA programs. Both levels of government must realize that increased funding will be required to make the transition to Native control of services work.

If deemed necessary by the Native peoples, a non-derogation clause should be included in the new Act, to protect aboriginal rights from infringement. The new legislation should establish the principle of service delivery in a culturally appropriate manner for all recipients of social assistance and should specifically support the principle of culturally appropriate services provided for and by Ontario's Native communities.

The Act should enable agreements to be entered into between the Minister of Community and Social Services and a band or multi-band group to deliver unified social assistance services. To enable these services to be provided in the manner determined appropriate by the band or bands, the Act should permit contracting out of any of the provisions relating to social assistance.

In the case of off-reserve Native communities, we recommend provision of more culturally appropriate services in the short term by means of agreements with Native agencies for the delivery of specific forms of social assistance, such as opportunity planning, to off-reserve Native clients. While off-reserve Native communities might eventually be given the same authority as Indian bands to deliver social assistance, it must be recognized that the goal of Native control of services outside the reserves is not as easily achieved. Bands have a defined territorial base and community membership. However, recognition of these differences does not mean off-reserve Native control of services cannot be achieved.

Self-Government

Both the federal and Ontario governments have expressed support for negotiating self-government agreements. However, little tangible progress has been made since the failure of the last constitutional conference in 1987. We hope that the transfer of authority over social assistance and related services to Indian bands may serve as a model for tripartite agreements in other areas.

RECOMMENDATIONS

204. The Native peoples of Ontario should be involved in all phases of reform of social assistance as it applies to their communities, including the drafting of legislation and the process of implementation.

205. The province should engage in discussions regarding cost-sharing of new programs and services well in advance of their introduction.

206. The province should provide to Native peoples any new social assistance benefits and related services, regardless of whether cost-sharing is assured under the 1965 Indian Welfare Agreement.

207. More community-based services should be made available to Indian bands, particularly bands located in remote areas.

208. The expanded role of Native welfare administrators should be recognized, and they should receive the necessary training to prepare them to fulfil this role.

209. Funding and other support should be provided for the co-ordination of social assistance with other social programs in Native communities.

TRANSITIONS

210. An aggressive affirmative action program should be undertaken to ensure that more high-level and front-line jobs in the Ministry of Community and Social Services are filled by Native people. There should also be Native membership on the Social Assistance Review Board.

211. Non-Native ministry staff who may be dealing with Native clients should be given training in cultural sensitivity to help them understand Native traditions.

212. The ministry review of living costs in the remote North should continue, and the ministry should involve Native communities directly in the determination of benefit levels. The Northern supplement should be paid under FBA and GWA.

213. Guidelines for use of the home repair fund should allow emergency repairs to community-owned housing.

214. Funerals and related expenses should be covered as an item of basic need.

215. The Indian Welfare Agreement should be retained until appropriate changes are negotiated or until an improved agreement is signed by the federal and Ontario governments and the First Nations.

216. Ontario should proceed as far as it can within the limits of its own legislative authority, in co-operation with Native leaders, to give as much control as possible to Native communities in the area of social assistance and related services.

217. A non-derogation clause should be included in provincial legislation, if it is deemed necessary by the First Nations.

218. Tripartite negotiations should determine the cost-sharing arrangements that will provide funds for the new social assistance system.

219. The new legislation should establish in its preamble the principle of service delivery in a culturally appropriate manner for all recipients of social assistance. In addition, the preamble should support the principle of culturally appropriate services provided for and by Ontario's Native communities.

220. The legislation should enable agreements to be entered into between the Minister of Community and Social Services and a band or a multi-band group to deliver integrated social assistance services. To enable these services to be provided in the manner determined appropriate by the band or bands, the Act should permit contracting out of any requirements of the Act.

NATIVE COMMUNITIES

221. Consultation with the First Nations regarding the content and possible implementation of the new Act should begin immediately.

222. In the short term, agreements should be entered into with Native agencies for the delivery of specific forms of social assistance, such as opportunity planning, to off-reserve Native clients.

223. The new legislation should enable agreements to be signed giving off-reserve Native agencies authority to deliver their own unique social assistance program.

10

RELATED REFORMS

Meaningful reforms in social assistance require complementary changes in a broad range of other policy and program areas. This chapter highlights those additional reforms we recommend in several areas related to social assistance.

Health Care

Although Ontario residents are generally well served by the existing health care system, the health of low-income people continues to be worse than that of the population as a whole. Poor people are ill more often, require more hospital care, have fewer years of life that are disability-free, and die younger. Living in poverty means living in circumstances that can affect the basic determinants of good health.

Many of the recommendations in this report are intended to improve the general financial position of social assistance recipients and the working poor. Their adoption may be the most important health measure that Ontario could introduce. In addition, several other health-related issues should be addressed.

Many recipients are still denied basic dental care. Access to such care for all but disabled people and their spouses and the children of FBA recipients varies greatly across the province and is generally limited to emergency assistance. Members of working poor families receive both emergency and basic care on a discretionary basis only. Children of both GWA recipients and the working poor will be helped by the new provincial dental program, but this help is of limited scope. As well, the separate dental program for social assistance recipients continues to set them apart from those not receiving assistance. We believe the answer lies in the development of one comprehensive dental care program for low-income children and adults.

The Drug Benefit Plan provides assistance to social assistance recipients that is not always available to the working poor. Coupled with the "notch effect", this disparity can serve as a disincentive to leave social assistance or to remain in a low-paying job. Consideration should be given to extending the Drug Benefit Plan to low-income people not receiving social assistance, especially to those with higher-than-average drug costs.

The government has announced that changes to the Assistive Devices Program, which helps people with disabilities raise their level of functioning, will be fully implemented by December 1989. Although coverage will be improved, the program still has shortcomings. For example, ADP does not cover the cost of equipment repairs or such items as closed-captioning devices for deaf people. These and certain devices required in the workplace should be included. If individuals continue to be required to pay 25% of the cost of these aids, relief for those unable to pay should be provided through the ADP itself.

Ontario is one of only three provinces that continue to partly finance their health care systems by charging premiums. Even though premium assistance is available, many working people who are living in poverty must still pay partial or full OHIP premiums. Not only may this serve as a disincentive to work, but those who fail to pay premiums may, at a minimum, be discouraged from seeking care. We support the government's announced intention to abolish OHIP premiums.

Further improvements to the health of low-income people should result from changes in the nature and availability of health information and education and from strengthening the community-based approach to delivery of health services.

Housing

The serious shortage of housing for both social assistance recipients and the working poor has been cited throughout this report. Reform of the social assistance system must be accompanied by a strong commitment to ensuring that people have access to decent housing that they can afford. To be successful, this will require measures that address three issues: supply, affordability, and support.

SUPPLY

There simply is not enough affordable rental housing for those who need it. A number of factors contribute to this shortage. For example, when initiatives in such areas as tax reform, development levies, and regulatory standards are not harmonized, there may be unintended effects that impede housing development. The high cost of land, production, and financing, coupled with the delays involved in obtaining final planning and project approval, mean that existing publicly funded housing supply programs do not work effectively, particularly in expensive housing areas. The deterioration of the present stock and the loss of affordable housing through demolitions and conversions to luxury accommodation or non-residential uses have also contributed to the growing crisis.

RELATED REFORMS

The committee has identified a number of supply initiatives that should be undertaken. Publicly owned land should be made available for the development of affordable housing. The provincial government's recently announced plans to do this must be implemented quickly and accompanied by similar commitments from the federal government, municipal governments, and various public and private institutions across Ontario. The Maximum Unit Price – the amount a non-profit housing developer receives from the government – must be more flexible to meet real land and construction costs in different parts of the province. It must also be high enough to ensure the financial viability of smaller projects. More realistic time frames must be set for the completion of housing projects by the non-profit sector. The allocation process must allow for developments that meet community needs and move away from targeting specific groups of people.

Methods to streamline and simplify municipal planning and regulatory procedures need to be identified. Among the problems to be addressed are municipal land use policies and building standards that have evolved with low-density development and neighbourhood protection in mind. Public resistance to affordable housing, partly the result of an earlier over-emphasis upon high-density projects and the failure to foster a better understanding of recent demographic changes that affect housing needs, must be reduced through aggressive public education strategies. The province's commitment to increase the housing stock should be demonstrated through Planning Act amendments that support the development of affordable housing in all municipalities and require the implementation of such policies in municipal official plans and by-laws.

Existing affordable accommodation is seriously threatened by the fact that many of the apartments built over the past 25 years (40% of Ontario's rental housing stock) are now badly in need of major repairs. This housing has been further depleted through demolitions and conversions. The federal and provincial governments should make a substantial investment in programs of rehabilitation, including efforts to conserve existing Ontario Housing Corporation units, and each municipality should be required to develop mechanisms to ensure that demolitions or conversions are accompanied by replacement of the affordable housing that would be lost.

Intensification (the conversion of existing houses to create added rental units – for example, flats and basement apartments) would produce a substantial increase in affordable accommodation. Once again, a complex and lengthy approval process, restrictive municipal zoning by-laws, and community resistance impede intensification efforts. In addition, homeowners are uncertain about the effect of the Landlord and Tenant Act and the tax implications of earning rental income. The Planning Act should require the use of intensification techniques, and municipal by-laws should establish a "converted dwelling unit" category and other means of supporting conversions.

Affordability

Neither income support nor housing programs alone can solve the problem of affordability. People must have an adequate income in order to obtain decent accommodation; as well, housing must exist that is affordable and accessible to all who need it. In Chapter 4, we propose a change in the shelter subsidy paid to social assistance recipients that would base it upon the average cost of rental accommodation. This would enable recipients to compete more successfully in the housing market without driving up shelter costs.

To ensure that affordable housing is available, the federal and provincial governments must greatly increase the existing supply of non-profit housing. In the short term, the Rent Supplement Program should be significantly expanded as a means of protecting and increasing the stock of affordable units in private-sector developments.

The committee commends the provincial government for recently broadening the eligibility criteria for rent-geared-to-income housing and adding to the Ontario Human Rights Code a prohibition against discrimination in "adults only" accommodation; the latter was an important addition to the existing provision that prohibits discrimination against social assistance recipients. These provisions should make affordable accommodation more accessible to those now excluded, although stronger efforts are required to enforce them.

Support

The provision of support is essential for those who need help to live as independently as possible. A range of housing options must be available that reflect differing needs. Of special promise is the concept of "portable services", whereby affordable housing is provided through non-profit programs that are not targeted to specific client groups; a range of support services is made available within the community to meet the varying needs of people living in that housing.

Both emergency housing and some long-term supportive housing are funded under the GWA Act. Longer-term supportive accommodation should not be funded in this fashion; rather it should be provided through the portable services approach. Specialized programs with unique services that are now funded under the Act – such as transition houses – should be placed under separate provincial residential services legislation.

Thousands of people in need of some support now reside precariously in unregulated boarding and lodging arrangements, often paying room-and-board charges that consume most or all of their social assistance allowances. All municipalities should be required to include boarding houses in by-laws relating to physical safety and public health standards, and they should be expected to enforce such by-laws well. In addition, for those boarding and lodging houses that provide care, provincial legislation should establish appropriate personal care standards, enforceable by the municipalities.

Emergency shelters that function as specialized supportive housing should be placed under separate legislation. However, there will always be a need for short-term accommodation for people in dire circumstances, and the provision of such housing should be a mandated municipal responsibility. Funding should continue to be provided under social assistance legislation, which should establish minimum standards of care. Changes that improve present funding arrangements and make capital funding more readily available are required. There is a need for more day programming for those in need of support who are now living in hostels and boarding and lodging houses.

Family Law

Throughout the report our recommendations have been guided by existing laws relating to families. Here we deal with the vitally important relationship between social assistance and those laws that define the support obligations that exist between family members. We believe it is reasonable to expect those with private support obligations to meet them. However, the lack of integration between the public and private support systems, and the failure of each to recognize the problems that women in particular face as they attempt to deal with the other, have often resulted in confusion and serious financial hardship.

We have recommended that clear policies be established that specify the circumstances under which recipients should seek support. Recipients should be given the choice to apply on their own or to have the government bring the support application. When they do apply, mediation services should be made more readily available as part of the court process.

For many women, long-term poverty is the inexorable by-product of separation and divorce. Two reasons for this are the fact that courts often award less when the applicant is a social assistance recipient, and the growing reliance upon the "clean break" approach in the resolution of family disputes. The result can be long-term dependence upon social assistance without the support award that would facilitate the transition to self-sufficiency.

Part of the answer lies in the improvements we have proposed to the public system of support. However, there is an urgent need for better research that examines the actual financial impact on family members of new property and support laws and provides decision-makers with the socioeconomic data that should be considered when determining the amount of support awards. Lawyers and judges should be made more aware of the importance of support awards to those receiving social assistance. Recently introduced laws to make support orders and agreements more easily enforceable should help many recipients.

The role of parental support workers – government employees who assist social assistance recipients in support proceedings – needs to be reviewed. New measures for enforcing support awards, the increased importance of the initial awards, and the growing uncertainty about whether parental support workers can represent the interests of both the recipient and the government make such a review necessary.

Finally, there is a need to consider approaches tried elsewhere that seek to merge more effectively the public and private support systems. Of particular interest are the public maintenance advance systems employed in a number of European countries and the Child Support Assurance System recently introduced in Wisconsin.

Federal-Provincial Fiscal Arrangements

The Canada Assistance Plan

Social assistance is the constitutional responsibility of the provinces. The federal government plays an extremely important role, however, by way of the Canada Assistance Plan. CAP is the federal legislation that enables the cost of social assistance to be shared with the provinces by providing 50% of the cost of all eligible programs.

Increasingly, CAP is influencing provincial social policy decisions. The availability of CAP cost-sharing affects provincial expenditures on social assistance. But the nature of the social assistance population and of the services they need has changed substantially since CAP was enacted in 1966. For these reasons, reforms to CAP are prerequisites to many of our recommendations.

We agree with previous reviews that CAP is essentially a sound, effective instrument for federal-provincial cost-sharing of social assistance. In part, this is a result of the flexibility that comes from its open-ended nature; that is, it places no ceiling on federal expenditures for approved services provided by the province. There is some risk that the open-ended nature of CAP could be lost if the legislation were returned to the federal Parliament for amendments. As a result we have emphasized changes to CAP that do not require amendments to the legislation, such as the creation of new guidelines or policy statements or the reinterpretation of existing ones. In some cases, we propose completely new federal-provincial fiscal arrangements to deal with the funding of new programs.

In effect, CAP sets standards by establishing conditions for cost-sharing, although many of these have focused only upon ceilings above which cost-sharing is not available. In light of the improved system we are recommending and the difficulties that can come from having great variations across the country, we recommend that Ontario support the development of minimum national standards in such areas as benefit levels and needs testing. Ontario should also advocate the implementation of a separate fiscal arrangement that [illegible] provide enriched funding for poorer provinces to enable them to meet national standards.

CAP sets cost-sharing limits on the amount of money provinces may allow recipients to earn, which affects the incentive to work. Existing levels are too low. To increase the incentive to work, we recommend that Ontario negotiate with the federal government to relax the current CAP guidelines. Earnings exemptions were temporarily relaxed for purposes of the "four-cornered agreement", a recent federal-provincial undertaking to increase job opportunities for recipients. Pending negotiations for new earnings exemption guidelines, Ontario should ask the federal government to extend the time limit on earnings exemptions established in that agreement.

CAP is not an appropriate instrument to share the costs of an income supplementation program. We recommend that Ontario advocate the implementation of a new fiscal arrangement for this purpose. Finally, existing CAP policies restrict cost-sharing for certain municipal administrative and program expenses. We recommend that Ontario urge the federal government to revise CAP policies so that it fully shares these costs.

Programs and Services for Disabled Persons

The Vocational Rehabilitation of Disabled Persons Act and the Canada Assistance Plan are the primary mechanisms by which the federal government shares with the provinces the costs of programs and services for people with disabilities. While VRDP is entirely dedicated to services for disabled persons, CAP shares the cost of social assistance and services required by all persons in need, including disabled people. Although there is some overlap in the services that are eligible for cost-sharing, each piece of legislation has its own characteristics and eligibility rules, and inevitably there are gaps between them. Like CAP, VRDP establishes some conditions for cost-sharing that are now obsolete.

In January 1987, the Minister of National Health and Welfare announced a review of fiscal arrangements governing services for disabled persons. The review is now complete, and important changes are now being considered that would greatly improve VRDP and CAP; for example, extension of the cost-sharing provisions to services for employed people who are at risk of losing their jobs because of disability.

The shortcomings of the review's proposals are the result of shortcomings in VRDP and CAP themselves; they do not have the flexibility to fully support the goal of integrating disabled people into the community. For example, VRDP does not provide for the ongoing needs of employed people with disabilities. And, although cost-sharing is available through CAP for services required for independent community living, there are restrictions that limit the ability to deliver services through mainstream programs. New cost-sharing arrangements need to be developed that address these problems, so that the objective of fully integrating persons with disabilities into the community is better supported.

The Voluntary Sector

The voluntary sector continues to play a vital role in the provision of a wide range of services and supports for individuals and communities. Recently, and with reluctance, voluntary organizations have had to devote more of their energy to meeting basic needs for food and shelter.

The emergence of a secondary welfare system, represented by food banks and emergency food and shelter programs, highlights the need for a clarification of the relationship between government and the voluntary sector. We strongly recommend that the government reaffirm the importance of the ongoing and supportive role of the voluntary sector, while also asserting its own responsibility to meet basic human needs for food, shelter, and clothing by providing adequate benefits. Adequate social assistance is the primary method of ensuring the natural demise of the secondary welfare system, thereby freeing the voluntary sector to perform its vitally important role of personal care and support. The answer is not to provide formalized funding for food banks.

Non-profit organizations deliver many of the social and support services that are required by recipients. Measures should be taken to promote closer collaboration between the government and voluntary organizations in the planning and delivery of services. As well, we have recommended that consideration be given to using voluntary groups to deliver opportunity planning to specific client groups, with full government funding.

Public Attitudes

There is a wide gulf between public perception and the reality of social assistance. The public does not receive enough information, which leads to misunderstandings about who receives social assistance and why. This results in a lower level of support for the program than is desirable. A knowledgeable and informed public is a prerequisite for the success of many of the recommendations in this report. The provincial government should immediately begin a comprehensive public education campaign to increase public awareness about the social assistance system and those who use it.

Charter of Rights and Freedoms

We have taken a broad view of the Charter in the belief that our proposed changes should reflect its spirit and intent without waiting for court decisions that determine its impact on social assistance.

RECOMMENDATIONS

224. One comprehensive dental care program should be developed and made available to all low-income children and adults, whether or not they are social assistance recipients.

225. Consideration should be given to extending the Drug Benefit Plan to low-income people who do not receive social assistance, particularly those with higher-than-average drug costs.

226. The Assistive Devices Program should be expanded to include needed items now excluded, assistive devices required in the workplace, and the cost of equipment repairs.

227. OHIP premiums should be abolished.

228. The provincial Ministry of Housing should develop a mechanism whereby provincially owned property can be made available for the development of affordable housing by non-profit housing providers.

229. The province should encourage the federal government to mandate the Canada Mortgage and Housing Corporation (CMHC) to identify those federally owned properties that are suitable for the development of affordable housing and establish a mechanism for entering into long-term leases of such properties to non-profit housing providers.

230. Municipal governments should develop policies whereby municipally owned properties are assessed for their suitability for affordable housing and, where feasible, are leased for the development of such housing.

231. The provincial government should assume a co-ordinating role in bringing together all public landowners in order to plan a development strategy for affordable housing.

232. The provincial Ministry of Municipal Affairs should develop methods of streamlining the planning process with the intent of simplifying and shortening the existing approval process.

TRANSITIONS

233. Municipalities, in co-operation with the Ministry of Housing, should develop strategies to elicit public acceptance of affordable housing and the more flexible use of existing housing stock.

234. The provincial Ministry of Municipal Affairs should seek to amend the Planning Act to include regulations that govern the establishment of affordable housing in all municipalities across the province.

235. All municipalities, in accordance with the Planning Act, should include specific criteria in their official plans and zoning by-laws that support the development of affordable housing within their boundaries.

236. The Ministry of Municipal Affairs should seek to amend the Planning Act to include regulations requiring the use of intensification techniques to increase the supply of housing in all municipalities.

237. Municipalities should review their zoning by-laws to establish a "converted dwelling unit" category and amend existing by-laws to support conversion in areas where the current housing permits it.

238. The provincial Ministry of Revenue should explore property tax incentives aimed at encouraging homeowners to create additional units in their homes.

239. The provincial government should review the Landlord and Tenant Act to determine how best to protect homeowners who rent units in their homes.

240. The Canada Mortgage and Housing Corporation and the Ministry of Housing should significantly increase funding for the provincial Rent Supplement Program.

241. Wherever possible, the provincial government should give priority to the "portable services" concept, which separates housing and support services.

242. Municipalities should be required to include a category for all boarding homes in their by-laws, to regulate such accommodation with respect to physical safety and public health standards, and then to enforce such by-laws.

243. The exemption in the Landlord and Tenant Act relating to room-and-board accommodation should be clarified, with special provisions enacted to govern the termination of tenancies where residents no longer meet bona fide admission criteria.

244. Specialized programs with unique services, such as transition houses, should be removed from social assistance legislation and funded and regulated through separate residential services legislation. The long-term domiciliary hostel program should also be removed, and its services should be provided as "portable services".

245. Municipalities should be required to ensure that emergency shelter is available within their communities.

246. In the short term, the GWA per-diem rate should be reviewed and, if necessary, raised to reflect the broader range of services now provided through the hostel program.

247. The funding mechanism for hostels should be adjusted to ensure that there exists a secure funding base, notwithstanding fluctuations in the number of residents.

248. Capital funding should be provided for the construction, renovation, and maintenance of emergency shelters.

249. The provincial government should rationalize jurisdictional responsibility for the funding of day programs and increase the available funding for such programs.

250. Recipients should be permitted to choose whether to bring support applications on their own or have the Ministry of Community and Social Services bring applications.

251. Resources should be provided to make mediation services more available to people with low incomes.

252. The Ministry of Community and Social Services should engage the Ministry of the Attorney General in a joint review of existing laws dealing with private support obligations and their relationship to social assistance law.

253. Support should be given to research that assesses the impact on family members of recent family law legislation dealing with property division and support and seeks to develop guidelines for spousal and child support awards that reflect an understanding of the economic implications of marriage and family breakdown.

254. Measures should be taken to help lawyers and judges become aware of the interrelationship between the private and public support systems, and of the importance of support awards to women and children who receive social assistance.

255. The functions of parental support workers should be reviewed and their role in the new social assistance system should be clarified.

256. Public maintenance advance systems and the Wisconsin Child Support Assurance System should be monitored and evaluated to determine their applicability to Ontario.

257. Ontario should support the development of national standards for social assistance, especially in the areas of rates and needs testing, through the conditions established for federal cost-sharing.

258. Ontario should advocate that separate special fiscal arrangements be made in order to provide enriched funding for social assistance to have-not provinces, to enable these provinces to participate in program enrichment.

259. The Ontario government should enter into negotiations with the federal government to relax the current CAP guidelines on earnings exemptions.

260. Ontario should request the federal government to extend the March 31, 1989, time limit placed on earnings exemptions in the four-cornered agreement pending negotiations for improved earnings exemptions.

261. Ontario should advocate the implementation of a special new fiscal arrangement in order to ensure cost-sharing for income-tested income supplementation programs.

262. The federal government should revise its interpretation of existing policy statements so that it fully shares in shelter-related and special incentive items not now covered.

263. The improvements being considered by the federal-provincial review of fiscal arrangements affecting programs and services for disabled persons should be supported, and a more comprehensive review should be undertaken.

264. The more comprehensive review that takes place should seek new cost-sharing arrangements that more fully support the integration of persons with disabilities into the social and economic life of the community.

265. The government should reaffirm the traditional and ongoing role of the voluntary sector, while also asserting its own responsibility to provide adequate social assistance to those in need.

266. Measures should be taken to promote greater collaboration between government and the voluntary sector in the planning and co-ordination of services.

267. The voluntary sector should be looked upon as a possible provider of opportunity planning within the new social assistance system, with full government funding.

268. The Ontario government should not provide formalized funding to food banks.

269. The Ontario government should immediately begin to design and implement a comprehensive, province-wide public education program to increase the level of public awareness and understanding about the social assistance program and those who use it.

11

STAGES OF IMPLEMENTATION

We have recommended a number of major long-term reforms in addition to a number of short-term changes. This chapter organizes the recommendations into five distinct stages and suggests which recommendations should be implemented at each stage. Our objectives at each stage are to make substantial improvements in the system, to achieve milestones in the move to a fully integrated and harmonized system, to pave the way to reforms at the next stage, and to reflect an understanding of the overall costs and the work that must be done at each stage.

There are a number of reasons why we believe that reform must be carried out in stages. The first is the requirement that major improvements be properly harmonized. For example, we believe that the move to adequate rates cannot be sustained in the longer term if greater disincentives to self-reliance are the result. Accordingly, given that not all the reforms can be introduced at once, a staged process that moves on all fronts at the same time is a necessity.

A second reason is the need to allow sufficient time to ensure proper implementation. The changes must be introduced as quickly as possible without creating unintended results that harm rather than help those whom these reforms are designed to assist. We recognize that substantial planning and policy work, as well as significant staff training, must be done in advance of some of the major changes we have proposed.

A number of our proposals, particularly those that form the final stage, require the participation of the federal government. Others require changes in cost-sharing and other arrangements with municipal governments. We hope that reforms in Ontario will be mirrored by similar changes in other Canadian provinces. The effort to develop national minimum standards may be thwarted if change in one province results in major variations in benefits across the country. Although this is not a reason to delay reforms unduly while awaiting a national consensus, the staging of reform will allow time to search for that consensus.

TRANSITIONS

A well-supported argument for staged reform, coupled with efforts to inform the public and to marshal support for our proposals, should aid in avoiding the resistance that might develop to a sudden "all-or-nothing" approach. Careful staging also enables periodic review to determine whether the desired results have been attained. Staging is also required in some areas because we need to undertake testing and research before broader changes can be introduced.

NEW SOCIAL ASSISTANCE LEGISLATION

Many of our recommendations depend upon new legislation to support them. The proposed content of the new legislation is found in the recommendations we have made throughout our report. Here we add four suggestions designed to help the law perform the role we see as essential.

First, it is vitally important that those interested in and affected by the legislation be consulted broadly during its development. Second, the legislation should contain a preamble setting out the principles that have shaped it. The preamble should serve as an aid in the interpretation of the Act itself. Third, more of the essential elements of the new system must be placed in the statute and fewer in regulations and policy manuals. Finally, the statute must include provisions that guarantee periodic review of its contents.

The Stages of Reform

Following the description of major changes at each of the first four stages, the estimated overall cost of the reforms is provided. Tables are also included to illustrate the financial impact of the changes on social assistance benefits in Stage One and Stage Four. It was beyond our mandate to conduct a cost-benefit analysis of all these proposals; the costs we have calculated will be partly offset by benefits that we have not been able to assess.

The Stage One changes ought to be achievable within one year; Stage Two, within two years. By the end of Stage Two, the government ought to be in a position to set target dates for completion of the succeeding stages.

Stage One:
The First Year of Reform

In the first stage, the focus is on immediate changes that signal major moves in the areas of adequacy, incentives to work, and the removal of complexity. The changes must be achievable and must harmonize well with remaining elements of the system. Each must be able to be implemented through regulations or guidelines and must demonstrate the government's commitment to our broad objective and principles.

STAGES OF IMPLEMENTATION

A large number of changes must be made to the benefit structure. For example, the rates in general should be raised, and the highest GAINS-D rate should be raised to the GAINS-A level. At the same time, a study should be initiated to establish a definition of adequacy using a market basket approach. Recipients should be reimbursed for 100% of actual shelter costs up to the existing shelter subsidy ceilings and actual utilities costs should be recognized in full. These shelter-related changes are the most costly of the reforms to be introduced at this stage. Eligibility for assistance should be extended to refugee claimants and to 18- to 20-year-old non-disabled persons living in their family homes. The asset ceilings should be raised and the asset rules changed to support recipients' transition to autonomy.

Many changes are required at this stage to further improve the ability of recipients to achieve self-reliance. For example, work should begin to develop the new opportunity planning function, and procedures should be established to facilitate the referral of applicants and recipients to the VRS program. Other changes include eliminating the 120-hour rule limiting paid employment for sole-support parents, increasing basic earnings exemptions, and lowering the tax-back rate to 66.66% so that all recipients are better off working. The first step in developing income supplementation should be the improvement and expansion of the Work Incentive Program.

Improvements in the way social assistance is delivered will require such changes as the implementation of more precise rules to guide the exercise of discretionary decision-making, the establishment of a new disability determination process, improvements in French-language services, and major improvements in the procedures and rules of the Social Assistance Review Board. These changes will be supported by making interim changes to improve caseload ratios and workloads, and by establishing a human resources steering committee as well as a provincial-municipal training committee.

The first stage must also see changes in the administration and funding of social assistance. For example, the standards and conditions for delivery at the municipal level should be developed and all remaining unconsolidated counties and districts should be consolidated. Provincial funding of Special Assistance at 80% should begin, and responsibility for delivery and funding of Supplementary Aid for people with disabilities should be transferred to the province.

A host of changes to related programs must be made to support the changes to the social assistance program itself. For example, there should be an expansion in literacy programs and co-operative education. The Rent Supplement Program must be expanded, and a more broadly based dental program for all low-income persons should be introduced.

Table 1. Social Assistance Rates at Stage One (1988$)

	Present Rate (Maximum)	New Rate (Maximum)	Increase
CLIENT TYPE			
Single employable	$467.00	$572.00	22.5%
Single disabled	693.00	762.87	10.1
Single parent with two children	993.00	1,167.00	17.5
Family of four	1,043.00	1,226.00	17.5

Cost of Stage One

The Stage One initiatives would require annually between $380 million and $415 million in new federal and provincial expenditures (in 1988 dollars). The primary variable is the size of the general rate increase. These costs are high, but essential to begin the process of reform. Table 1 shows the impact of Stage One changes on social assistance rates.

Stage Two: Drafting of New Legislation

The second stage is centred on changes that are urgent but require either planning and design work, prior consultation with other governments and agencies and with the public, or new legislation. For example, the FBA and GWA legislation would be merged to form one Act that would create one overall benefit structure. Many of the reforms cited in the report as requiring new legislation would be begun at this stage. Of particular note are the establishment of new shelter ceilings, a new definition of disability, and the implementation of opportunity planning. In addition, many of the initiatives started in Stage One would be either completed or extended into the second stage.

Cost of Stage Two

The annual cost of the major items in Stage Two will be approximately $225 million (in 1988 dollars). The greater part of this increase is devoted to a further move towards adequacy as defined by the market basket approach.

Stage Three: Implementation of New Legislation

Once new social assistance legislation has been passed, the process of implementa-

Table 2. Social Assistance Rates at Stage Four (1988$)

	Stage One Rates	Stage Four Rates	Increase Stage Four over Stage One
CLIENT TYPE			
Single employable	$572.00	$713.00	24.7%
Single disabled	762.87	843.00	10.5
Single parent with two children	1,167.00	1,425.00	22.1
Family of four	1,226.00	1,663.00	35.6

tion can begin. In particular, the work at this stage will focus on implementation of the new delivery system described in Chapter 5, Chapter 7, and Chapter 8. Sole delivery responsibility will be placed at one level of government in each region of the province, and there will be one overall benefit structure. There will be further moves towards benefit adequacy, and the delivery of many special-needs items will be transferred to the ministries traditionally responsible for their delivery in the mainstream community.

The staffing and opportunity planning initiatives we have recommended will be fully in place. At this stage, too, further strides will be made to assist recipients to become self-reliant. Continuing improvements to minimum wages, a separate mechanism for the delivery of income supplementation to social assistance recipients, and enriched employment and support services will all be implemented. For persons with disabilities, the VRS program will be broadened to provide opportunity planning for the range of independent community living options. A number of Native-designed and Native-controlled social assistance programs will be established in Native communities.

Cost of Stage Three

The estimated cost of Stage Three implementation is $200 million.

Stage Four: Income Supplementation and Benefit Adequacy

At this stage, the focus is primarily on the implementation of an income supplementation program, broadly available to all working poor persons. Each of the three previous stages will have included significant improvements in social assistance rates. Stage Four, however, will mark achievement of full adequacy as we have defined it. Although it is impossible to predict what the rates will be, Table 2 shows approximate amounts that seem appropriate (in 1988 dollars).

The implementation and finalization of any remaining recommendations involving the social assistance system itself should take place at this stage. With the reformed social assistance system in place, the major reforms advocated for the income security system as a whole can then be implemented.

COST OF STAGE FOUR

It is difficult to predict the costs of Stage Four, when income supplementation will be introduced, as no program similar to our proposal currently exists. Much depends on the program design, the minimum wage, and the number of eligible clients who make use of the program. We estimate costs of $1.3 billion for an income supplementation program with tightly designed eligibility criteria. Changes in social assistance at Stage Four would cost an additional $225 million, bringing total costs over the four stages to $2.35 billion, $1.05 billion for social assistance and $1.3 billion for income supplementation.

However, we believe it is safe to assume that income supplementation will reduce social assistance expenditures, thereby lowering total expenditures from $2.35 billion to approximately $2.1 billion. The net increase to social assistance over all four stages, therefore, would be $800 million, a 47% increase in the total cost of social assistance based on a 1987/88 cost of $1.7 billion.

Stage Five:
New Income Security Programs

At Stage Five, the last elements of income security reform – the children's benefit and the disability income program – will be implemented and harmonized with the other elements of the overall income security system. Stage Five will entail added costs that we have not been able to estimate with precision. Accordingly, we decided not to cost this stage before a more substantial cost-benefit analysis can be done.

Different assumptions here could increase or decrease net cost estimates considerably. For example, differing predictions about the number of single parents who will leave the social assistance system would affect cost estimates by hundreds of millions of dollars. At another level, with decreases or increases in the labour supply as demographic changes occur, costs at Stage Five could increase or decrease substantially.

A full cost-benefit analysis of the Stage Five programs should demonstrate immediate and long-term benefits in other areas. Perhaps the best example is the anticipated savings from reduced use of the health care system by both children and adults. The introduction of financial incentives to work, expansion of employment-related services, and better integration of the public and private support systems, along with the security net that the proposed new benefits will provide, should greatly increase the ability of people to live without social assistance. The overall caseload could be reduced by 60% to 70%.

It is important to note that we do not believe the order of implementation must be precisely as set out in this chapter. Some of the elements set out in Chapter 3, such as the children's benefit, could be implemented earlier if there is the political will to do so and if negotiations between the provincial and federal governments are successful.

The Impact and Consequences of Social Spending

Any analysis of the impact of new expenditures in social assistance must begin with the recognition that a large amount of money is now being spent on a system that few people think works well. It is preferable to spend the money required to create a system that will work, rather than continuing to spend large sums on one that does not.

The argument can be taken farther by comparing the added expenditures with the estimated $60 billion that is now spent on Canada's overall income security system. While the required added expenditures are substantial, they will bring us a great deal closer to the elimination of poverty in this country. There is ample evidence to show that social spending has been an effective tool in reducing poverty. For example, income security programs for the elderly over the past twenty years have blunted the effects of poverty among this group to a significant degree.

There are those who wonder if Canada spends too much on social programs and if further spending could cause economic harm to the country. However, such comparative evidence as exists suggests there is room in the present context for Canada to do more without creating an undue burden on the economy. We believe, as do many experts in the field, that social spending as a whole is not inherently inconsistent or incompatible with economic growth and productivity. We are also encouraged by the results emerging from recent U.S. programs that suggest that programs to help recipients became employed can result in net long-term savings to the public purse.

Monitoring Reforms to the System

Expectations are high that the government will not only consider but will respond to the many recommendations we have advanced. We believe that the government has a special obligation to the thousands of people who participated in this review.

We recommend that, within six months of the release of this report, the government should issue a statement indicating what action it intends to take in response to our recommendations. The government should also publish an annual report that describes the progress made in implementing our recommendations.

In addition, funding should be provided for a council of consumers of social assistance, with a mandate to provide ongoing advice on the design and development of the social assistance system.

RECOMMENDATIONS

270.
- The development of new social assistance legislation should include a period of broad public consultation.
- The new Act should include a preamble setting out the principles underlying the legislation.
- The essential elements of the new social assistance system should be found in the statute rather than in regulations and policy manuals.
- The legislation should guarantee periodic review of the major elements of the new social assistance system.

271. Within six months of the release of this report, the government should issue a statement indicating what action it intends to take in response to our recommendations.

272. The government should publish an annual report that describes the progress made in implementing our recommendations.

273. The provincial government should provide funding for a council of consumers of social assistance, with a mandate to provide ongoing advice on the design and development of the social assistance system.

274. The government should undertake a cost-benefit analysis of our proposed reforms.

REPORT OF THE
SOCIAL ASSISTANCE
REVIEW COMMITTEE

TRANSITIONS

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Community and Social Services

Toronto 1988

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Le présent rapport est aussi publié en français.

Ontario
The Social Assistance Review
La révision de l'aide sociale

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September 1, 1988

Honourable John Sweeney
Minister
Ministry of Community and Social Services
6th Floor, Hepburn Block
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Dear Mr. Sweeney:

We are pleased to submit to you the Report of the Social Assistance Review Committee.

We have addressed the specific questions you referred to us, while also considering a number of issues that we felt were inextricably linked to the problems facing the social assistance system.

We are forwarding with the Report the background papers prepared for us, as well as the briefs and submissions we received. It is our understanding that steps will be taken to make these available to those members of the public who wish to have access to them.

We have appreciated very much the opportunity to address this very important topic and we hope that our consultation and research efforts, and our recommendations will be useful to the Province as it engages in major reform of the social assistance system and related programs.

Yours sincerely,

Owen Burey
Joanne Campbell

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TRANSITIONS

INTRODUCTION

The Social Assistance Review Committee was established in July 1986 by the Ontario government as an independent public review committee. The essential task of the committee has been to examine and answer four questions:

- What should be the guiding principles and objectives of social assistance and related programs?
- To what extent is the present system meeting these objectives?
- What overall strategies for change should the province adopt?
- What parameters should the province accept as it moves to change its legislation?

This is the first comprehensive review of the province's social assistance programs in over twenty years. Our terms of reference (included as Appendix A to this report) acknowledge that "despite ongoing increases in expenditures, there is increasing concern that the system is in need of significant improvement, or indeed, that it is failing to meet its basic objectives".

Ontario's social assistance system, through which 500,000 people now receive income support, comprises two programs: Family Benefits, administered by the province, and General Welfare Assistance, administered by municipalities and Indian bands. In 1988, it will spend more than $2 billion of federal, provincial, and municipal funds. At the same time, it forms only a small part of a broader income security system that includes unemployment insurance, family allowances, child tax credits, the Canada Pension Plan, and many other programs. In the modern welfare state, social assistance is intended to be a residual program for those few who are unable to support themselves through employment and who do not have access to adequate incomes through universal or insurance-based programs.

The committee has twelve members from across the province. We are lay persons with different backgrounds and experience, although some members now work within the social assistance system or have done so in the past. Other members have been recipients of social assistance or speak with special knowledge of the problems encountered by particular groups such as sole-support parents, people with disabilities, Native people, immigrants, and Franco-Ontarians. We have brought to this review a range of perspectives, including those of business, labour, the religious community, law, and municipal politics.

Our work over the past two years included three distinct stages. We began with a period of extensive consultation. This was followed by a study of the issues that we and those with whom we consulted identified as most important if the problems of the system were to be understood and needed reforms identified. (The background papers prepared for the committee during this study are listed in Appendix G; each paper was made available to the public as it was received by the committee.) Finally, we considered and reached a consensus on each of the issues we addressed as a committee and wrote the report that follows.

We held 23 public hearings in 14 communities across the province and received more than 1,500 submissions and briefs. Those who appeared before us or wrote to us are listed in Appendices D and E. The issues most often raised in these consultations are set out in Appendix H.

We heard from all sectors of Ontario society, in particular from those who are or have been clients of the social assistance system and from those who work within it. They spoke eloquently, clearly, and with passion about the inadequacies of the present programs and the ways in which the system works against the interests of those it serves and against the public interest as well. We have collected and organized their views so that they will remain available in the future. Most of our recommendations respond directly to the concerns raised in consultation. Throughout the report we have included excerpts from what we heard or read (under the heading "Voices"). In addition, we have included profiles that vividly illustrate the problems of the poor in Ontario.

We also formed advisory groups of people with special knowledge of and interest in the social assistance system. The groups and their members are listed in Appendix C. They aided us immeasurably in our work, and most have remained active in order to respond to the recommendations and proposals we make and to monitor the process of implementation.

The report is in two parts. Part I provides an essential framework for the issues considered in the balance of the report. It begins with the objective and principles that we feel should guide reform in this area. This is followed by an overview of social assistance, the broader income security system, those who receive social assistance, and others who live in conditions of poverty in this province. The final chapter of Part I describes the longer-term changes that we see as necessary if we are to achieve fully the objective we have established and if we are to create, over time, a social welfare system that reflects the principles we have endorsed. We believe these longer-term reforms are achievable; in some cases we propose time frames for implementation. However, the chapter also serves another purpose: to provide a standard against which the recommendations made elsewhere in this report can be measured.

Part II of the report focuses upon the specific changes we see as required within social assistance and those programs directly related to it. Several chapters in this part deal primarily with social assistance reform in a number of areas, including the benefit structure, the other forms of assistance offered by the system, the way in which the programs are delivered, and the administration and funding arrangements that will support the reformed social assistance program. One chapter focuses upon helping recipients make the transition to self-reliance or broader participation in the community; here we address changes that must occur both within and outside the social assistance system. We have dealt separately with the Ontario Native population because we believe the solutions that will meet their needs are fundamentally different from those that we see for the system as a whole. Another chapter deals with a number of areas outside social assistance but inextricably tied to it, such as housing and the laws that establish and enforce financial obligations between family members.

We conclude the report with a description of appropriate stages of reform, along with the costs associated with the major changes we have proposed. We believe that a phased introduction of our proposals is necessary. However, it is essential that the government introduce a number of improvements immediately and commit itself to the objective and principles that call for a much longer and more substantial process of reform.

Our specific findings and recommendations are set out throughout this report. However, we have reached two conclusions that are reflected in most of our recommendations and that we believe should be acknowledged here.

First, while we completed our work with a new or renewed understanding of the devastating impact of poverty on the lives of those who experience it, we became acutely aware of the dichotomy between Ontario's prosperity and the substantial number of people of all ages who are excluded and do not benefit from it. Their numbers have remained high even as that prosperity has continued. Many thousands live in poverty and feel powerless to escape it, because they lack the tools to make the transition from the programs that marginalize or trap them. It was this dichotomy that struck us most forcefully and that has supported our conclusion that we have a collective obligation to provide those in need with the opportunities so readily available to other Ontarians.

Exclusion has also meant invisibility. Only recently – with the emergence of conspicuous indicators of the inadequacy of social assistance, such as food banks and homelessness, and with the growth of strong advocacy organizations for the economically disadvantaged – has this begun to change.

TRANSITIONS

The unexpectedly large number of people and organizations who spoke or wrote to the committee demonstrates the breadth and the strength of dissatisfaction with the system as it now functions. This dissatisfaction extends across the wide range of perspectives represented by those who made their views known to us. It also reflects the length of time between meaningful attempts to introduce reform. The greatest benefit of the consultation may lie in the stronger, more organized voice it has given to those who, up to now, have not been well heard or seen as partners in the reform process. This is an important first step in the effort to include those now excluded, and in this report we propose a number of ways of building upon this beginning.

Second, we believe that major change is needed in the social assistance system. However, we also agree with those who suggest that it is not sufficient simply to redesign social assistance programs in the hope of making them more effective and acceptable. We have recommended the creation of income security programs that would return social assistance to the residual program it was intended to be. We have also addressed the changes that we believe must occur in such related fields as employment, labour, education, and health policy if our goal of transition to employment and community integration for those who receive social assistance is to be achieved.

We have outlined our proposed changes to social assistance in some detail, but our mandate and the resources available to us have limited us to the major elements of reform in these related fields. We remain convinced that our recommendations regarding social assistance will be of limited value, however, unless tied to and harmonized with reforms that extend well beyond the provision of adequate income support.

We completed our consultations and deliberations with the belief that there exists in this province a broader level of acceptance of measures designed to aid those now excluded from the mainstream of Ontario society than might have been expected. People from all sectors who appeared at the committee hearings or submitted briefs or letters expressed support for efforts that deal meaningfully with the problems of those now living in poverty. All were troubled by the public manifestations of the current system's inadequacy that are now so visible and by the growing evidence of the devastating effects of poverty, particularly on children. If reform is directed at more than income support and seeks to help those in need to make the transition towards self-reliance; if it addresses the problems faced by the working poor as well; if it does not dismantle many of the income security benefits that are highly valued and have long been in place; if it is staged in a manner that is seen as financially realistic; in short, if the system is perceived to be moving in a planned way from being one that so clearly does not work to one that does, we believe there will be the public support that makes change on this scale possible.

April 1988

PART I

1

PRINCIPLES FOR REFORM

Our terms of reference asked us to determine what should be "the guiding principles and objectives of social assistance and related programs". We have taken this as a cornerstone of our work, for the following reasons.

First, it is clear to us that social assistance is a system whose policies and objectives are unstated, often multiple, and often conflicting. We will refer frequently to the policy vacuum within which much of the past growth and change in the system has occurred. Many of the principles contained in this chapter may seem non-controversial or perhaps even self-evident, yet we will outline many ways in which the present programs fail to respect them. They need to be clearly stated and constantly kept in mind if Ontario is to develop a rational system, and if the worth of our recommendations and those that are proposed in the future is to be effectively measured. These principles have made it possible for this committee both to understand better the problems faced by those receiving social assistance and to formulate our proposed solutions. They should also enable this report's readers to understand what we have tried to do and evaluate how well we have succeeded.

Second, the report, when read in full, demonstrates our feeling that fundamental changes are necessary in the social assistance system. Therefore, it becomes essential that we state the principles and objectives that underlie the proposal of such major reform and justify the expense necessary to achieve it.

Most important, we have come to recognize that real change in the lives of the people we have met over the past two years depends upon the emergence of a public consensus regarding society's obligation to those in need. Ontario can break the cycle of poverty, including the growing dependence upon social assistance despite recent improvements in the province's economy, only if there is broad public understanding and endorsement of the principles we articulate and the values that underlie them. They must also serve as a benchmark for social policy initiatives on a broader scale; otherwise, the recommendations we make for change within the social assistance system will have only limited impact.

TRANSITIONS

In this chapter, we first identify what we see as the fundamental objective of the social assistance system. We then present a set of ten operating principles, along with some examples of how each is regularly violated by the system as it now operates. Finally, we will discuss how the committee has made choices in cases where the principles conflict.

OBJECTIVE

All people in Ontario are entitled to an equal assurance of life opportunities in a society that is based on fairness, shared responsibility, and personal dignity for all. The objective for social assistance therefore must be to ensure that individuals are able to make the transition from dependence to autonomy, and from exclusion on the margins of society to integration within the mainstream of community life.

We believe that an essential starting point is an acceptance of a collective obligation to provide access to life's opportunities to all residents of Ontario. This leads to an overriding objective for social assistance: to help those most in need to make the transition from exclusion to full membership in the broader community.

Underlying Values

We begin with the belief that each person is of inherent worth and should be presumed capable of reason, choice, self-realization, and independence. We believe also that each person is interdependent with other members of society and needs to participate in, and be related to, family and community in order to fulfil his or her potential. We therefore conclude that society has a responsibility to assist its members in their development and integration, within a framework of economic equality and social justice. In articulating these values we state what was repeatedly affirmed in the many hundreds of briefs and presentations to the committee from all parts of Ontario.

Acceptance of these values and the broader societal objective they support creates a foundation for many of the recommendations contained in this report. Everyone in a position of dependency is entitled to assistance; the worth of a society can be measured by the extent to which it provides that assistance.

In large measure, these values have guided the modern welfare system. Since World War II, governments in Canada have demonstrated society's compassion and its obligation to the disadvantaged by such milestones of social development as the introduction of medicare and the old age security system. In 1966, for instance, the federal Canada Assistance Plan expressed as national goals "the prevention and removal of the causes of poverty and dependence on public assistance" and "the provision of adequate assistance to persons in need".

However, more than twenty years later, widespread poverty remains a fact, and it is clear that a too narrow view has been taken of the opportunities attainable by those now living at the margins of society. Examples are easy to find; only recently have we begun to recognize the assumptions about capacity and role that have effectively excluded disabled persons, as well as sole-support parents and their children, from the mainstream of society.

A New Approach to Helping

The changes we envision both at the societal level and within the social assistance system incorporate four distinct components.

Transition We have designed a system that views all social assistance recipients, like all members of society, as people in transition. Transition implies change and change carries with it risks. Every human life inevitably involves a series of transitions, from the dependence of childhood and youth through the independence and autonomy of adulthood, then back to the dependence of old age. Canadians have developed important social programs – family allowances and unemployment insurance, for example – to help insulate each member of society from the adverse effects of these changes and to lessen the extremes of dependency that can be associated with certain transitions. To soften the impact of illness at any stage of life we introduced medicare, and we have continued to support it against erosion over time.

In addition, the extraordinary rapidity of global change that characterizes modern life places its own particular strains on all members of Canadian society: social assistance recipients, production workers, corporate managers, and public servants alike. Those with low incomes and fewer educational qualifications, those who have dependants to support, and disabled persons are especially vulnerable in such an environment.

Without a change of direction, Ontario risks creating increasingly extreme disparities between affluence and privilege, and poverty and despair. This is most visible in the emergence of the underclass sometimes called the homeless. These are people who live among us but not with us. However, the effects of poverty go beyond physical exclusion from society. The development and nurturing of a society's human resources is critical in a service- and knowledge-based economy. As the Economic Council of Canada has recently argued, "an innovative economy and adjustment support go hand in hand: one cannot exist without the other".[1]

It is in the broader interest of this society to provide a range of opportunities for all individuals at risk that facilitates the process of transition. Those who appeared before us spoke repeatedly of their need for the supports that would enable them to reduce their dependence upon public resources.

It is this fundamental shift away from the familiar model of incremental reform within a "care-based" system that we hope will be the hallmark of the changed environment we envision in this report. Viewing social assistance in this active, developmental, and goal-oriented way will eventually, we hope, transform the system and its impact upon those who turn to it for help.

Assurance and Equity The support that society provides is not to be understood as a gift or privilege, nor as charity to the disadvantaged. Rather, it represents a right to which all members of society are entitled. Such support must be equitable and available to all, not dispensed according to a "hierarchy of deservedness". The existence of need should evoke an assured response, beyond the reach of arbitrary systems and decision-making.

We believe that the pre-eminent short-term goal of the social assistance system should be to facilitate transition. Many of our recommendations reflect this priority. But justice and fairness must follow close behind. In the longer term, indeed, we view a transition-based social assistance system as only a means; the ultimate end would be a society based on greater equity and greater equality for everyone.

Access to Opportunity People in need require adequate financial support. But if our proposed emphasis upon transition is to become a reality, they must be seen as requiring much more than money. This includes timely access to effective help in charting an appropriate route to increased autonomy and integration. The supports and resources that facilitate transition must be available, or the change in direction we propose becomes empty rhetoric. Choice and participation in decision-making are also necessary, especially when traumatic life circumstances have left individuals without personal support and lacking in self-esteem.

The concept of opportunity must be broad enough to include situations in which an individual's goal is increased membership in the community, but not full-time work and the end of social assistance. The increased emphasis upon transition must not stigmatize those who contribute to society while remaining dependent upon income support programs; they must be actively supported in their efforts to make such contributions.

Wherever possible, these supports should be delivered through mainstream, socially legitimate processes; otherwise, exclusion and marginalization will merely continue in different forms. Essential services for social assistance recipients should be located within the health, employment, or educational systems that serve the wider community.

Shared Responsibility We will propose an enhanced role for government as a means of achieving the objectives we have set for Ontario society and for a new system of social assistance. *Government* bears a basic responsibility to invest in its citizens by ensuring that their living needs are met and that access to opportunity truly exists.

The individual has a corresponding responsibility to become, with support where necessary, as self-reliant as possible and to contribute to community life.

However, the provision of support to individuals in transition is a responsibility shared by all. *The community* has a responsibility to accept all members of society, particularly those who are vulnerable or who have suffered exclusion. It is also at the community level that the process of integration is best planned and co-ordinated.

The voluntary sector has a special responsibility to provide what it is in the best position to give: personal care and support. It must not be held responsible for supplying the income and services that government should provide.

This shared responsibility will be emphasized throughout this report. No amount of government action will compensate fully for its absence.

Our review gave us a new understanding of the debilitating impact that poverty has upon those who experience it. Most disturbing to us was the number of people who appeared trapped in dependence upon the social assistance system. As a society, we still tend to exclude the vulnerable while rewarding the successful. It is not enough to improve social assistance in order to move its recipients closer to some poverty line. The rules and behaviours of society that lead to this marginalization must be addressed. This requires major reform of the social assistance system. It also necessitates long-term change in broader social and economic opportunities beyond the social assistance system, in such areas as education, health, and housing.

Operating Principles

The ten operating principles outlined here are those we believe should guide the social assistance system we are proposing. In each case we give the rationale for the principle, followed by some discussion of how the present system fails to meet it. Where appropriate, some reference is made to how the principle should be applied beyond social assistance.

1. ELIGIBILITY

All members of the community have a presumptive right to social assistance based on need.

Society's obligation towards its members, an obligation that makes those in need eligible as a matter of right, follows directly from the values we have already endorsed.

The social assistance system regularly denies eligibility to certain people. Those who are self-employed are automatically deemed ineligible, regardless of their financial circumstances. The residence requirement is read narrowly by some municipalities so that those without a permanent residence are excluded; yet without assistance, a permanent residence generally cannot be found. Especially affected are those recently discharged from institutions, who lack a financial base from which to set out on their own.

For policy reasons that are neither well articulated nor measured for their impact, the need principle is overridden again and again. The child's portion of an allowance is deducted when a child fails to attend school regularly; the sponsored immigrant is deemed ineligible when the sponsorship arrangement breaks down – that is, when need is greatest – despite the fact that the agreement is not personally enforceable. Where competing principles seem compelling (for example, in industrial disputes, when strikers may be in financial need but there is a reluctance to interfere in the private bargaining process), the rationale for exclusion is unstated and methods of reducing the impact of such a decision upon family members remain unexplored.

There must be a basic presumption in favour of inclusion where need exists. This presumption might then be set aside, but only when doing so can be clearly justified by reference to policies that are publicly stated and openly debated. The heavy burden carried by those who would set aside the presumption was evident to this committee: we could not reach consensus on any cases where this eligibility principle should be overridden.

On a broader level, we must assist those who are effectively excluded from full membership in the community. Measures to remove the barriers they face are essential, in order to prevent them from becoming or remaining disproportionately dependent upon public support.

In Ontario, more than 360,000 children under 18 (including some 205,000 recipients or beneficiaries of social assistance) grow up in poverty, a factor that contributes more than any other to poor life experience. Women who go through separation or divorce find themselves at a severe disadvantage as they seek to survive on inadequate support or to enter the labour market. In 1981 there were 110,000 Native people in Ontario; two-thirds of those over the age of 15 and about 90% of Native women earned less than $10,000 a year. A complex and tragic combination of factors, including discrimination and indifference on the part of mainstream society, has resulted in their effective exclusion from opportunity.

Almost 700,000 disabled persons ages 15 through 64 live in this province. Approximately one-half are not in the labour force, and of those that are engaged in employment, many work in the artificial environment of the sheltered workshop. Until recently, government policy has been based on the assumption that disabled persons were neither interested in, nor capable of, regular employment – premises that have been soundly rejected by disabled persons themselves.

A majority of the poor live in families where at least one person works, forming part of the category of people we call "the working poor".

We have developed a vision that recognizes that prevention of dependency would be a meaningless goal and our broad objective would have little value if approaches are not taken that admit all into full membership in our society. This requires reforms that extend well beyond those that can be undertaken through the social assistance system: these will be discussed in Chapter 3 and elsewhere.

2. ADEQUACY

All residents of Ontario who are in need must receive a fair and equitable level of social assistance, adequate to meet their basic needs for shelter, food, clothing, and personal and health care.

The same values that, in our opinion, should serve as the measure of society's concern for its neediest members call for an adequate level of assistance for those in need.

Adequacy is a prerequisite to transition. We strongly reject the argument that the "spur of poverty" is still essential in the drive to self-sufficiency. We received ample evidence, confirmed by research, that the vast majority of recipients want above all else to be free of social assistance and to be independent. Moreover, the payment of insufficient benefits is profoundly counter-productive to transition. Not having the simple necessities of life isolates people from their community, adding a burden of stigma as well as reducing self-esteem, motivation, and hope. Opportunities that do exist become beyond reach. Life is consumed by a perilous struggle to survive, to meet the most basic needs.

The levels of income support now provided in this province are inadequate. As we listened to recipients, we became acutely aware of this fact. Their stories are verified by the statistics found in Chapter 2.

The amounts paid continue to reflect a hierarchy of deservedness. Access to basic items that are deemed special needs (such as prosthetic devices, wheelchairs, transportation costs, dental services, and moving expenses) is subject to administrative discretion, which may extend even to the decision whether to provide funds for these purposes. Many of the problems of living that are created by insufficient income lead to people being labelled or diagnosed as disabled or mentally disturbed, when in fact their lack of financial resources may be the source of their problems.

Two conspicuous examples of inadequacy are by now widely familiar. First, a large number of recipients spend too much of their income on shelter. A third of those not living with relatives or in subsidized housing spend more than 50% of their allowance on accommodation. In Toronto, 87% of single recipients who rent on the private market spend more than 50% of their allowance for shelter. Second, emergency food banks report an increasing number of clients, making them one of the few "growth industries" in the field of social services.

If the adequacy principle and the values that underlie it are to be fully respected, it is essential that sufficient income also be available to those who live at the edge of the social assistance system – the working poor.

The broader problems of poverty have created widespread support for the concept of a guaranteed annual income, a proposal often heard in the course of our consultations. While we ultimately rejected such a proposal (for reasons set out in Chapter 3), we have not rejected the intent that lies behind it. Enhanced social assistance rates, an increased minimum wage, income supplementation for the working poor, and core income support programs for children and disabled persons are all part of what we see as necessary if the adequacy principle is to be fully implemented.

3. ACCESSIBILITY

Social assistance must be readily available to all those in need within the community.

Social assistance and associated services remain only theoretical rights if people cannot obtain access to them where and when they are needed. The system must be simple, easily understood, and responsive to need on a timely basis. It must be accessible in English and French throughout the province, and in other languages as required.

If the goal of social assistance were to limit and exclude, an impenetrable process would indeed be a most effective screening mechanism. Information and access, according to economists, are commodities that can only be acquired at a cost – indeed, often at a cost of time and effort more than of money. When the cost is high, as is inevitably the case for those lacking in sophistication and self-esteem, these commodities will not be attained.

The current system is not readily accessible. Its complexity is legendary – a morass of categories and rates that confounds all but the most expert. The division of responsibilities between the provincial and municipal governments compounds this complexity and ensures delay and confusion for many applicants. The high level of unstructured discretion ensures that accessibility has different meanings in different parts of Ontario. Much remains to be done to make effective use of technology in the effort to provide fast and efficient service.

Little understandable information about this very complex system is provided to the public. The problem is greatest for those who speak languages other than English.

A strong government commitment has been made to expand services in French; however, in Northern and Eastern Ontario the unfilled need for such services is still very great. Those who speak other languages can be excluded entirely by a system that is poorly equipped to serve the diverse needs of our multicultural communities. For many, the necessary dialogue cannot even begin because interpretation and translation services are imperfectly delivered, often through volunteers or applicants' children.

An accessible system is also one that is free of stigma. Rules and procedures that reinforce applicants' low self-esteem and reflect negative and inaccurate public perceptions of social assistance recipients function as highly effective barriers. Time and again during the public hearings we heard passionate, eloquent, and painful testimony from recipients about their contact with a system that deals with them as adversaries and seems to affirm their view of themselves as inferior and inadequate. For some, such as those from farming communities, the system's unwelcoming atmosphere alone makes it virtually inaccessible.

A system that offers opportunity and dignity to its clients must do no less for its own employees. A key to transition is the availability of trained, sensitive staff who are able to provide timely support to people in need. Here, too, the current system falls far short. We heard repeatedly from recipients and from staff of an environment where the combined pressures of stressful working conditions and large caseloads mean workers are able to offer far less help than recipients need.

4. PERSONAL DEVELOPMENT

Social assistance must provide a broad range of opportunities to promote personal growth and integration into the community.

The effort to implement this principle takes social assistance beyond its traditional care-based foundations. The breadth of perspective brought to the provision of opportunities and the degree of supportive optimism with which those opportunities are delivered will determine the extent to which transition becomes a hallmark of social assistance. For many, employment represents the most effective means of establishing self-esteem, self-sufficiency, and integration into society. The focus for them must be not upon working in order to "earn" social assistance benefits but rather upon skills training and employment in order to achieve personal independence. For others, opportunities that increase community participation short of employment are equally essential.

Significant and promising beginnings have been made in the effort to provide employment skills and work opportunities to recipients. However, rising caseloads have helped to ensure that the predominant experience of most long-term clients of the system is the receipt of benefits, not opportunities. Financial disincentives make the move into the labour force a risky undertaking. Essential support services – such as child care, rehabilitation, and measures that make the workplace accessible to disabled persons – may be unavailable or delayed. "Personal support" in the development of what we will call an opportunity plan often involves little more than the imposition of a standardized job search requirement.

For those who are not expected to seek employment, attempts to promote personal development have traditionally been seen as unnecessary and unproductive. Sole-support parents are caught in a double bind: their parenting role is undervalued as work because it requires ongoing reliance on social assistance; yet, because they are parents, they have been denied until recently the resources that promote independence. Disabled persons who can work are often denied the special supports that make this possible. If unable to work, they are seen as "pensioners" requiring financial assistance alone.

Here as well, the focus must be well beyond the social assistance system itself. In the effort to remove the barriers that profoundly limit the opportunities available to social assistance recipients and others who live in poverty, all of the following measures must be implemented: concerted and innovative employment policies that are directed at full employment; educational programs that reduce high school dropout rates, combat illiteracy, and teach needed job skills; flexible employment practices that respond to the needs of adults seeking to support dependants or to develop their own skills; the elimination of discrimination in employment that leads to occupational segregation and inadequate income opportunities for particular groups; a readily accessible child care program for children whose parents work outside the home.

5. PERSONAL RESPONSIBILITY

The social assistance system must enable individuals to assume responsibility for themselves and must ensure individual choice, self-determination, and participation in community life.

We have stated that the provision of support to individuals in transition is a responsibility shared by every level of society. However, individual ability and willingness to assume personal responsibility are essential if the system is to help each person to achieve the highest possible degree of self-sufficiency and integration within the community. If real opportunity is offered to move beyond dependency – and if it is offered in a way that recognizes that all do not start from an equal position, that those who are slowest to achieve are often the most lacking in personal resources and self-esteem – then there is reason to believe that most will respond enthusiastically to society's offer of support.

Individual responsibility is greatly enhanced by treating people with respect and providing them with choices rather than imposing solutions. Self-determination is not promoted when people become accustomed to having decisions made for them by others; participation is unlikely if they have been regularly excluded from decisions affecting their interests. We therefore argue that respect, participation, and choice are indispensable in seeking to encourage responsibility in social assistance recipients.

How strong should be the expectation that participation will occur? We have accepted that for some, receipt of *full* assistance should be made conditional upon a willingness to participate in opportunity planning, a new process within the social assistance system designed to help recipients take advantage of the most suitable opportunities available to them.

It is often argued that the principle of personal responsibility is justified by the terms of an unwritten social contract: all members of society have a collective responsibility to see that opportunities for self-sufficiency are available, while the individual in return accepts the responsibility to take advantage of them. The goal becomes to ensure that recipients have the same opportunities as everyone else and, when that happens, the same obligations and responsibilities. We see validity in this argument, although it often fails to recognize the special obligation we have to help those who are most disadvantaged and sometimes takes a too narrow view of what constitutes an acceptable contribution by recipients.

However, our concern is a broader one, for those few who fail to respond to offered opportunities are generally those most at risk of long-term exclusion from the broader community. If real help is offered, and if recipients are provided with an effective means of questioning the appropriateness of the suggested plan, then we accept that a limit upon free choice is permissible, even necessary.

Currently, the social assistance system imposes conditions and sanctions more readily than it offers opportunities. Often, expectations are linked to the collective perspective of a particular municipal council or the views of an individual administrator. Too often, this has resulted in standardized job search requirements that may be inappropriate for a given individual and of little relevance to actual economic conditions in the community where he or she resides. Appeals of decisions to deny benefits concentrate on whether the imposed conditions were met, not on whether they were appropriate.

Recently, innovative, "opportunity-based" programming has been offered at the provincial and municipal levels; however, it has been estimated that those involved represent less than 5% of social assistance recipients. The conclusion is inescapable: for many recipients of social assistance, real help to make the transition to self-sufficiency is simply not being offered. For them, the system fails to provide the supports that would justify requiring participation in efforts at personal development as a condition of receiving full assistance.

On a broader level, it should be acknowledged that a widespread sense of powerlessness, alienation, apathy, and dependency is symptomatic of a society in which the sense of individual responsibility is on the wane. It is therefore essential that at all levels – family, school, workplace, and community – encouragement and opportunity be given to people to take responsibility and to participate in decisions affecting themselves.

6. INDIVIDUAL RIGHTS

The social assistance system must respect the rights of individuals as guaranteed in the Canadian Charter of Rights and Freedoms and other laws. It must guarantee a clear and impartial decision-making process, including the right to due process, access to information, and the protection of privacy.

It may seem redundant to formulate a principle on the basis of the obvious requirement that the social assistance system respect existing laws that protect individual rights. We do so for three reasons. First, the protections afforded by these laws are especially important when access to the basic requirements of life is at issue. Second, a law's impact depends upon how one interprets and applies it; this principle is intended to emphasize our belief that legislative statements of individual rights such as the Charter should be read broadly, not narrowly or only as far as existing court decisions require. Finally, the current social assistance system regularly denies to those who deal with it the protections afforded by the rules of fundamental justice, as well as the equality of treatment the Charter and other laws require. We want to affirm explicitly here that this denial is unacceptable.

Inequality is embedded in many of the rules that apply to social assistance: 60- to 64-year-old men receive less than women of the same age; some essential benefits are provided only at the discretion of staff; widows receive Family Benefits earlier than separated spouses; long-term unemployed persons receive less than long-term unemployables; asset and income ceilings differ from one group to another.

Rules and procedures currently in place also violate basic notions of fairness and due process: many decisions involving basic needs cannot be appealed, and recipients are denied notice of and/or reasons for decisions of major import. Existing appeal procedures are fundamentally flawed; recipients are denied access to information that forms the basis of decisions made about them; and highly intrusive measures are adopted in the effort to eliminate abuse of the system.

Other social supports needed by recipients of social assistance – such as those that provide access to employment, training, child care, education, and health care – must give similar priority to this principle. Broad societal reinforcement of individual rights through the application of affirmative legal instruments such as the Charter of Rights and Freedoms and the Human Rights Code is vitally important for those trapped in poverty and dependency.

7. RESPECT FOR FAMILY LIFE

The social assistance system must support and strengthen the integrity of family life while remaining sensitive to the needs of individual family members who may be at risk.

All of us need supporting relationships. Although many of us look to a growing number of community institutions and personal support networks in an attempt to meet this need, the family continues to play "the dominant role in the development of human competence and character…[and] is the most humane, the most powerful, and by far the most economical system known for making and keeping human beings human".[2]

As family forms change, as we redefine the roles of family members, and as societal change places new stresses upon the family and those within it, it is essential to recognize that most families need support at various stages in their life cycles. Without both access to social assistance and an adequate level of benefits, many families are effectively denied this crucial support.

While encouraging support for the family, the social assistance system must not ignore the fact that individual family members may be at serious risk and may need assistance to leave families that threaten or harm them. Once again, the availability of social assistance and related programs plays a major role in determining whether practical means of escape exist.

Undoubtedly, inadequate social assistance payments have a devastating impact upon the family. The truth of this is demonstrated elsewhere in this report. Recent research confirms that people in poor families are more likely to experience future difficulties in life, including the possible loss of a child to the child welfare system. Poverty's impact is brought home by stories of families that separate to survive financially or whose children are placed in foster care, where much greater financial support is available.

The rules and procedures of social assistance constitute powerful tools for the implementation of policies that shape and reflect attitudes towards the family, including ideas about appropriate family formation and about acceptable behaviour of family members. While this possible impact is readily acknowledged within the system and the moral judgements of earlier generations easily identified, the ways in which social assistance is currently used to implement implicit or explicit government policies regarding the family generally remain unidentified and are rarely the subject of public debate.

Of course, family policy is shaped by factors that extend well beyond social assistance, and the research is far from clear about the strength of the relationship between social assistance and family structure.[3] A key element of social assistance policy should be to allow such shaping to occur and not to distort it. Eligibility rules, discretionary entitlements, and determination of benefit levels all mask major policy decisions that may or may not strengthen the family. The expected impact of existing rules and proposed changes must be stated. Moreover, there must be a commitment to ongoing evaluation to determine whether such predictions were accurate.

Social assistance policy must respect and support the family's ability and right to make decisions. Increasingly we recognize parenting as vitally important and demanding work, yet inadequate assistance rates dissuade the parent who wishes to remain at home with his or her children. Conversely, major financial disincentives and the denial of basic support such as child care keep many parents at home when they would prefer to work outside the home.

In many ways, the current system seems to have the effect of weakening rather than strengthening families. The "spouse in the house" rule (which rendered recipients ineligible for benefits as soon as an adult of the opposite sex moved in) reinforced sole-support parents' dependency status and greatly affected their ability to form new relationships. (The rule was dropped in 1987.) The present allowance structure does little to encourage couples to marry before they have lived together for three years (the point at which they become legally obligated to support each other), because their combined benefits are lowered upon marriage.

The determination of whether a 16-year-old child may leave home and seek support on his or her own – a decision that requires balancing the legitimate claims of parental authority against the older child's right to be treated as an independent person – is currently a matter of unguided administrative discretion. Few if any resources are available to deal with the family problems that often underlie such a child's decision to leave. Older children who wish to be seen as the adults they otherwise are in law must leave home in order to qualify as independent for social assistance purposes.

Separated spouses may become trapped on social assistance because of family laws that see them as independent and ineligible for ongoing spousal support. Finally, the system adapts poorly to new family arrangements such as shared parenting and is slow to make available to recipients services that may ease the impact of family breakdown, such as mediation.

Of vital importance is the need to protect those at risk within the family. While important gains have been made, the system still offers imperfect protection. Insufficient resources, inadequate rates, confusion, and delay serve to drive abused spouses back to the relationships they have escaped; the withholding of benefits leaves the older child trapped in a damaging family relationship.

8. RESPECT FOR DIVERSITY

Social assistance must respect the diversity of cultures and religions in Ontario and must recognize the unique identity of Native communities.

Today, 40% of Ontarians are of other than British, French, or Native origin; 25% of the province's people were born outside Canada; and more than 10% speak languages other than English or French at home. All of the principles we endorse are of limited value to a significant number of Ontario residents if we do not provide sensitive support, services, and opportunity to those of all cultures and religious beliefs.

Despite good intentions and strong declarations, we heard much to suggest that the present system falls short of this objective. Interpreters are often unavailable or too costly. Information is generally provided only in English or French. Staff are insufficiently trained to understand and respond to the needs of minority groups. Limited use is made of the multicultural communities themselves as resources to help recipients to identify and pursue opportunities.

Some of the current rules can have a devastating impact. Sponsored immigrants are left with no support in the midst of a family crisis. Asset rules can punish immigrants who have assets in their native countries that cannot be sold. Income ceilings assume that pensions from other countries can be easily transferred; their value may be deducted from potential benefits even if recipients cannot collect them.

Ontario's Native people have suffered acutely from poverty, dependency, and discrimination. Only recently has their move towards self-government begun to be accepted by the larger society as desirable and legitimate. Native communities have been delegated extensive authority in delivering social assistance; the opportunity to do so in a more culturally specific way has been taken by a number of bands. However, the resulting program still falls far short of the autonomous, Native-designed, and Native-controlled system that would better meet the needs of Native communities and would form a bridge to the broader objective of self-government.

Application of this principle to policies and procedures beyond the social assistance system could have a significant preventive effect. An educational system that pays special attention to the needs of minority and immigrant children, health services that cross language barriers, rigorous enforcement of laws that prohibit exploitation and discrimination in the labour force, policies that promote employment equity and address systemic and explicit discrimination: all of these are important methods of ensuring opportunity and membership in the broader community.

9. ACCOUNTABILITY OF THE SYSTEM

The administration of social assistance must be efficient, open, and publicly accountable.

In the fiscal year 1987/88, the federal government and the provincial and municipal governments of Ontario spent approximately $1.9 billion in public funds on social assistance. Adoption of the measures proposed in this report will require an increase in those expenditures. There is a clear obligation to the public to demonstrate that these resources are spent in the best and most cost-effective manner.

This accountability must exist at various levels. Well-articulated goals and objectives for social assistance are needed so that the public can measure the program as a whole, as well as the government's commitment to it. Techniques of internal cost control should ensure an efficient and cost-effective administration. Measures are required to minimize abuse or misuse of the system by those who seek help from it. These measures must be effective, while also respecting individuals' rights and dignity.

Ontario's social assistance system currently places great emphasis upon techniques designed to prevent abuse by recipients. Despite this, little is known about the amount of fraud, the effectiveness (and cost-effectiveness) of measures taken against it, and whether the harm done in some cases outweighs the good. Further, there is little to suggest that such measures have increased public confidence in the system.

Laborious verification procedures, besides consuming the time of field staff, may intrude upon or stigmatize recipients in obvious or subtle ways. An applicant's sworn declaration is considered untrustworthy without a home visit. A child who must obtain attendance verification from school authorities may thereby become labelled as a member of a "welfare family". A young mother may be asked to produce three years' worth of bank statements before she can be considered eligible.

We know relatively little about whether more selective, less time-consuming measures, using new technology, would be more effective. Fraud, overpayment, and overpayment through system error are not well distinguished. Techniques for recovering overpayments may have a devastating impact upon recipients.

Public understanding of how well or badly the system controls its expenditures is limited by inadequate information and half-truths that reinforce existing perceptions. Little debate occurs about the effectiveness or appropriateness of measures adopted by the social assistance system compared with those adopted in other programs that collect or distribute public funds (such as income tax and unemployment insurance).

10. SHARED RESPONSIBILITY

The effectiveness of social assistance depends upon the joint action and effective co-operation of the community at large.

The concept of shared responsibility forms an essential part of the overall objective we set out at the beginning of this chapter. Because of its pivotal importance, it must also become a guiding principle for the social assistance system we envision. The development of a social assistance system that emphasizes transition through the provision of opportunities depends upon a number of essential linkages.

The provincial government must have an overall policy that unites several ministries in a common strategy to address the needs of economically disadvantaged people. That policy must translate into an understandable and consistent plan for each of the province's areas and regions.

The implementation of new provincial policies and programs should be preceded by consultation with all delivery partners. The social programs and services delivered by and through the various agencies and levels of government must function within a common planning process. Business and labour must work together to develop employment programs at the community level. The voluntary sector, often uniquely able to meet individuals' need for personal affection and support, must be a full and valued participant. All must come together to meet the fundamental human need for integration and inclusion.

The present system, which has had more modest ambitions for its clients, has not developed these essential linkages to the extent that an opportunity-based program must. The various ministries of the provincial government and those delivering services at the community level are poorly connected and subject to varying policies and objectives. Municipalities are not well consulted before major changes in programs. Recipients are faced with a bewildering mix of employment-related programs offered by different levels of government and by different ministries of the provincial government. Most recipients have no one to assist them to develop and implement a comprehensive opportunity plan. Until recently there have been few examples of the local community being invited to share in the development of employment and other opportunities.

Recipients are encouraged or required to seek spousal or child support, but they may be denied legal aid when they attempt to do so. The child welfare ward becomes caught between a system that is withdrawing its responsibility and others that resist stepping into its place. A recipient returning to school is dissuaded by the confusing linkage between the social assistance system and student aid programs. Differing criteria and definitions affecting disabled persons discourage effective simultaneous use of both social assistance and the vocational rehabilitation program. Sole-support parents who hope to move to self-sufficiency through employment are dependent upon access to child care resources for which they are not eligible.

We will stress that the key to preventing individuals from becoming dependent on assistance lies in other areas of social and economic policy. We must recognize the direct association between social assistance and *federal* tax, employment, and labour adjustment systems; *provincial* health, education, and training systems; and *community*-based services.

In this context of shared responsibility, the social assistance system must shape a constituency for, and become a forthright advocate of, preventive policies for those at risk, in all these related spheres of activity and at all levels of government. Further, it must participate in the effort to create a broad public understanding of the needs of those who live in poverty. Without this, the chances of real reform of the system remain slight.

Balancing Competing Principles

Throughout this report we will return to the broader objective and the enumerated principles in an effort to demonstrate how they have guided our decision-making. The fulfilment of our vision depends upon their being used as reference points by those implementing the proposed social assistance system or developing policies in related areas.

This does not mean that each of these signposts points in the same direction. Principles are rarely absolute and they often come into conflict. Some of the committee's most demanding and useful discussions have centred on these points of convergence or conflict. In this report, we make a conscious effort to clarify how we see the balance between conflicting principles. Establishing clarity of purpose in this way is necessary if the effectiveness of the system is to be measured, and if those implementing new directions are to be accountable to the public at large.

For instance, in all our deliberations we have seen the transition objective as paramount. This has led us to make recommendations that have preserved short-term inequities, in the interests of transition for those with greater resources available to them. It has supported the limited implementation of conditions for receiving assistance. It has led us to introduce some added complexity, in the form of opportunity planning, to what would otherwise be a much simpler and more accessible system. For the Native population, it has led us to propose that we vest in them extensive freedom to design and then control a delivery system that provides opportunities in a culturally appropriate manner.

We have stressed that the principle of meeting need should almost always override competing principles or other social objectives. Only in one case, that of strikers, were we unable to reach agreement on granting eligibility; we would, however, provide assistance to their family members where need exists. We have suggested that the needs of young persons leaving home be met, with the only requirement being participation in a special planning process that seeks to address the family conflict or helps the young person towards self-sufficiency.

We have stressed the vital importance of the family as a social support system, yet we recognize that family unity must be weighed against the need to protect vulnerable individuals caught in destructive family situations. The individual's needs have been given clear priority in such situations.

Wherever possible, we have sought middle ground that reflects the essence of the principles under consideration. For example, the view that income and opportunities must be "assured" and accorded as a matter of right suggests that discretion should be eliminated or greatly reduced. Yet a system that is flexible and responds well to individual needs must have appropriate discretion built into it. The answer may be found in reforms that reduce the amount of discretion while also improving and controlling it where it must exist.

We have attempted to introduce measures that guarantee due process and procedural protections for the individual, without losing the simplicity and efficiency we advocate as part of the accessibility principle. Promoting equality and balance in the roles of family members, enabling sole-support parents to enter relationships without being immediately forced into a position of financial dependence on the new member of the family, allowing older teenagers to be treated as independent persons within the family unit: all of these are intended to strengthen the family, not make it subservient to the rights of the individual.

We will return to these and other examples. Having identified these objectives and guiding principles, along with the values that underlie them, we will propose that any new legislation contain a preamble that sets these out clearly as a foundation for the statutory provisions that follow.

These principles must be seen as highly relevant to reform of the system. Public discussion of them in the context of proposed reform, combined with a willingness to be clear about the choices being made when principles conflict, and a commitment to evaluate or reconsider them on a regular basis, will help ensure that they become more than descriptions of an ideal world we only hope for but never really intend to create.

2

SOCIAL ASSISTANCE IN ONTARIO

This chapter describes the current social assistance system in Ontario, detailing both its achievements and its shortcomings. It examines the history of the system and its place within the larger social, economic, and political environment.

Although more than half a million people in Ontario rely on income support from social assistance, it is probably the most poorly understood of Canada's social programs. Misconceptions abound regarding the needs and aspirations of recipients, their reasons for requiring assistance, and the length of time they receive assistance. To add to the confusion, our current social assistance programs have evolved through ad hoc and incremental adjustments made over many years, without a coherent set of principles and objectives to guide their development. The result is an administratively complex system, heavily dependent on the exercise of discretionary judgement, which is difficult for both recipients and staff to comprehend, to say nothing of the public at large.

The two major laws that govern the Ontario system, the General Welfare Assistance Act (1958) and the Family Benefits Act (1967), have not been significantly changed in more than 20 years. In establishing the Social Assistance Review Committee in July 1986, the Minister of Community and Social Services, the Hon. John Sweeney, noted:

> Those statutes were designed for a different age – a time of lower unemployment, a time when most women stayed home, the great majority of families had two parents, and fathers were typically the sole wage earners in the family. For many, this is not the reality of life in Ontario in 1986.
>
> This province spends more than $1.5 billion a year on social assistance to some half a million men, women, and children. But there are still people in Ontario who are hungry and homeless.

Social assistance in Ontario comprises two programs: General Welfare Assistance (GWA) and Family Benefits (known as FBA). Table 1 lists the 22 legislated categories of eligibility for these programs. Some categories are further divided into sub-categories (not shown on the table).

GENERAL WELFARE ASSISTANCE

Under this program, basic income support is provided to people who are in short-

Table 1. Categories of Eligibility for Social Assistance

FAMILY BENEFITS (FBA)

People 65 years old or over who are ineligible for old age security (usually immigrants)
People with disabilities
People who are blind
People deemed "permanently unemployable"
Single women 60 to 64 years old
Spouses of OAS recipients
Spouses of former FBA recipients
Single parents, widows or widowers
Single parents, deserted
Single parents, divorced
Single parents, separated
Single parents, unwed
Single parents whose spouses are in institutions
Participants in Vocational Rehabilitation Services
Foster parents
Parents of handicapped children
Persons whose circumstances do not fit the rules; benefits can be granted by Cabinet under the Order-in-Council provision

GENERAL WELFARE ASSISTANCE (GWA)

People unable to obtain regular employment (known as "unemployed employables")
Single parents
People in temporary ill health
People in permanent ill health
Foster parents

Source: Ministry of Community and Social Services.

term or emergency need. Using a budget-deficit method, the amount of support is calculated by determining the maximum benefit to which an applicant is entitled and subtracting any income he or she receives from other sources. The main function of GWA is to ease the impact of unemployment, family breakdown, or temporary illness or disability. Persons who may in fact be eligible for long-term assistance must normally qualify for short-term aid first.

GWA is administered mainly by municipalities and Indian bands; in municipalities, 50% of the cost of benefits is paid by the federal government, 30% by the province, and 20% by the local level. Those eligible include the applicant and dependants. Payments vary according to the family size, the ages of the children, and sometimes other factors. Employable persons must demonstrate a willingness to obtain work in order to qualify for GWA benefits.

FAMILY BENEFITS

This program, which also uses a budget-deficit method to set benefit levels, provides assistance on a long-term basis. Recipients include disabled adults and their dependants, disabled children, single-parent families with little or no wage income, older adults under age 65, and children in foster care. The overlap between GWA categories and FBA categories is one of the many sources of confusion in the system.

FBA is provincially administered; the cost is shared equally between the federal and provincial governments. Again, benefit levels vary according to factors such as family size and the age of children. For those recipients who qualify as disabled under the program's criteria, additional benefits are available.

Social assistance recipients receive most of their income under these programs in the form of regular monthly benefits. They also have access to two additional income sources, Special Assistance and Supplementary Aid (mandated under GWA but available to both FBA and GWA recipients), which provide for unusual and one-time emergency needs not covered by basic assistance levels. These payments are administered by municipalities and Indian bands and may be granted for transportation, specialized medical and dental services, assistive devices, vocational training, special diets, and other authorized items. The granting of funds for additional needs is discretionary and can vary substantially from one municipality to the next.

Who Receives Benefits and Why?

In order to receive social assistance in Ontario today, an applicant must first meet the eligibility criteria for one of the 22 categories of persons who qualify for assistance; then he or she undergoes financial testing to establish a lack of sufficient resources. Both processes will be discussed in detail in Chapter 4.

Ontario's present reliance upon categories of eligibility reinforces old notions that some poor people are more "deserving" than others. But what may be perceived as greater deservedness does not always correspond to greater need. The use of defined categories was heavily criticized in submissions to this committee on the grounds that it is confusing and complex, provides widely differing entitlements on the basis of factors other than need, results in an over-reliance on discretion, and reinforces the social stigma that attaches to seeking assistance.

Who Are the People Receiving Social Assistance?

Lingering notions of relative deservedness are partly based on public attitudes and beliefs regarding the recipients of social assistance. To the extent that these perceptions are inaccurate, they can get in the way of efforts to reshape our system of social assistance to more effectively meet the diverse needs of recipients and society.

Although there is strong public support for the principle that all those in need should receive social assistance, many continue to harbour doubts that most people receiving assistance really do need it. Listed below are some of the most common perceptions about who receives social assistance; most are inaccurate or overly simplistic.

"Most of the people supported by social assistance are unemployed, working-age adults."

Statistics on social assistance recipients often count them as "cases" – each case is the name on the file folder, the person who cashes the cheque. But one cheque may support an entire household. In focusing on "cases" rather than total beneficiaries, one easily loses sight of a critically important dimension of Ontario's social assistance population: 37% of all beneficiaries are children. Fewer than 14% of beneficiaries are employable, working-age adults. Looked at in terms of total caseload, this group still constitutes only 19.9% of those receiving assistance; disabled recipients and single-parent families both represent larger groupings. See Figure 1.

"The vast majority of the poor receive most of their incomes from social assistance."

The majority of the poor receive little or no income from social assistance. Figure 2 shows that nearly three-fifths of all poor families headed by working-age adults in 1984 were supported by someone working either full-time or part-time.

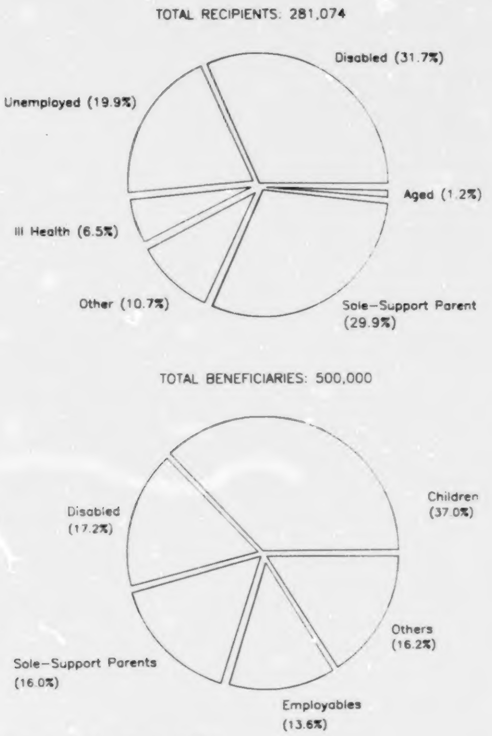
"The vast majority of female-headed single-parent families are dependent on social assistance."

Given the substantially higher levels of poverty among women, it is hardly surprising that many female-headed families receive social assistance. Of all single-parent families, 85% are led by women. But even with the many hardships poor women face – including delinquent child support payments, lesser access to contributory pensions, lack of affordable child care, and limited job prospects – only a third of the province's female-headed families require social assistance.

"Single, employable recipients make up a high proportion of those on social assistance and would rather receive welfare than work for a living."

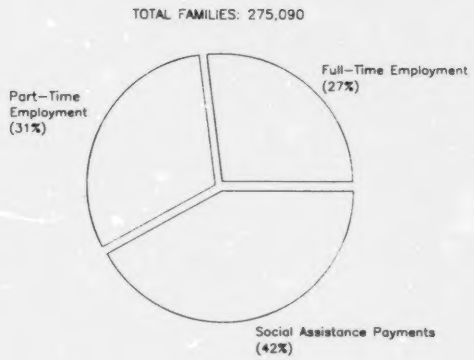
While the number of employable single persons has increased considerably as a proportion of those needing assistance in recent years, they still constitute only about one-sixth of all cases. The notion that many of these recipients would rather live on

Figure 1. Recipients and Their Dependants, 1987



Total combined caseload for FBA and GWA programs. Source: Ministry of Community and Social Services.

Figure 2. Major Income Source in Poor Families, 1984



Analyses based on Statistics Canada microdata tape *Incomes of Economic Families, 1984*, which contains data collected in the 1985 Survey of Consumer Finances. All computations on these microdata were done by Analytical Services Section, Policy, Communications and Information Branch, Health and Welfare Canada, and the responsibility for the use and interpretation of these data is entirely that of the author(s).

welfare than work for a living makes no sense economically. Many survive from month to month on incomes that are more than 50% below the poverty line; after paying between 50% and 70% of their monthly benefits in rent, they are barely able to feed themselves on what is left over. They are living on incomes at least one-third lower than they would receive by working full-time at even the minimum wage, an income that is itself nearly 20% below the poverty level for larger urban centres in Ontario.

"Most people on social assistance have low rents since they live in public housing projects."

The majority of social assistance recipients do not live in public housing projects. In fact, only about one in seven social assistance households, amounting to about 18% of total beneficiaries, live in rent-geared-to-income units. Among these approximately 36,700 households, nearly one-third contain a disabled person or are headed by an adult over 60 years of age.

The rest of Ontario's recipients, apart from the small minority who either own their accommodation or live in institutions, must compete for affordable rental housing with the growing number of other residents of the province struggling each month to keep a roof over their heads. With vacancy rates near zero in most major housing markets across the province, the lack of affordable housing places a real burden on all low-income households.

"Most welfare families are headed by a female single parent who never married, with several children."

About 70% of families receiving social assistance are headed by a female single parent. Nearly 75% of the approximately 195,000 children who are dependants of social assistance recipients are indeed living in single-parent families. But the average single-parent family receiving social assistance has about 1.7 children, which is not much different from the average for families in the larger population. Since more than two-thirds of all women receiving social assistance have been married, it is likely that a similarly large proportion of female single-parent recipients have been married.

"Once on social assistance, most recipients remain on the program for a long time – many for the rest of their lives."

The belief in long-term welfare dependency is perhaps the most deeply entrenched of all. But about 40% of employable recipients remain on assistance for less than three months; the average for that group is about seven months. Single parents average between three and four years, with a significant minority leaving the program within two years.

William, 54, Peterborough

William has been unemployed for several years.

I am 54. My first job was picking apples when I was 15. I've been working pretty well steady ever since. I got my grade 12 through upgrading and am trained as a mechanic – mainly cars, boats, and small powered equipment. I'm licensed to fly small private aircraft. I was also a florist for about 10 years. I like to work with my hands. And I like to keep busy.

I was born during the depression and raised by hard-working parents to supply our own needs. I can't say I have ever had anything actually given to me. I'm too proud to ask for anything and I don't take nothing for nothing.

I've had periods of unemployment over the years, but I was never laid off. It was always my choice to leave and I had new jobs lined up before I quit.

"No point getting all stewed up"

My last job was in 1985, repairing boat engines and other odd jobs at a family-run marina. I made $6.50 an hour. Business was slow. I worked there for about five months and I knew before I was laid off that it was going to happen. I wasn't born yesterday. I was actually relieved when it finally happened. They were quite nice about it. It didn't hurt my feelings. It's only common sense if there is no work to do. As I said, I don't take nothing for nothing. They are trying to keep the business going. They hired a young man in the Futures program. He doesn't cost them a cent. I have no problem with that. No point getting all stewed up about it.

After I was laid off I was on unemployment insurance. It wasn't too bad. I've been on it before and the first time I was a bit squeamish, but then I realized that I was more or less taking what I had paid for. But then it ran out and I couldn't find work.

I had to force myself to go apply for welfare. It was either that or jump off the bridge. I thought about suicide but it happened to be awfully cold out there and there wasn't any water flowing, just ice. Now the water is too warm, so you don't want to jump in because you'd just end up going for a swim. Now when I feel depressed I keep busy.

I think the hardest part about applying for welfare was facing the caseworker. I took my bank books to show her and said, here is what I have in the bank – nothing – and I don't want to start the new year with nothing. When I walked into the office I saw some people I knew, customers of mine, so that was kind of embarrassing. They asked me what I was doing there and I said I was applying for a job. No one except my caseworker knows I'm on welfare. What people don't know they can't talk about. I can still keep my

[redacted]

head up and a smile on my face. I can keep my pride.

Getting the first three welfare cheques was the toughest. I never thought I'd be on welfare. If my mother knew... It was taboo; you just didn't do that. Some days I tell myself that I'm just borrowing the money. Other days I tell myself I've earned it. I've worked hard all my life, so welfare is an early pension.

Used to freedom

I've always had lots of money. Never squandered it. Now I have about five dollars in my chequing account and seven in savings. But I don't want to close them because I've had them for so many years. I get $440 a month from welfare. Rent is $322, so I don't eat a helluva lot and I sure as hell don't put too much gas in the car. I just had to buy a new tailpipe for $150 and had to put it on my MasterCard. I'm going to have to pay part of it off every month. What part, I don't know, but it will be paid off eventually. I want to drive my car. It's my pride and joy. For 40 years I've been used to coming and going as I please. On the buses you can't do that.

Being on welfare has changed my life a helluva lot. There are things I miss. I don't go down to the Legion much any more. A couple of weeks ago I went down to the Legion and bought a beer. Someone else bought me another one. I can't play the piano there any more. I tried, but I'm not free and relaxed. I worry about that beer costing $1.25. I just said my fingers were too stiff. I had to have an excuse. I can't just say I'm not going to play because I don't want to and I'm on welfare and they aren't.

Most days I get up around 5:00 a.m. I shave, have some coffee with toast and home-made jam, get a pot of soup going (pork hocks cost 69 cents a pound and I add some vegetables), do up the dishes I save from the night before. I'll work on the car. I try to do something every day.

I've applied for pretty well any kind of job. I failed the dexterity test for one job. I'm just not quick enough any more, and I have hypertension so I can't do heavy work. I'd consider retraining for something I could do inside – maybe clerical or maintenance of appliances. But at my age, what's the point? Who is going to hire me anyway? I've shown employers flyers about government programs that will pay them to train somebody, and they say that if they want to train anybody they'll train somebody under age 20 so they can work for 20 years.

I can't look forward to anything, but I'll never give up. If a job doesn't come along I won't cry about it. There are thousands of people in my position. I'd just tell them to stay happy and busy.

Disabled recipients have the longest average stay, just over five years.

Long-term welfare dependency and program re-entry (people returning to social assistance after a period of autonomy) are policy questions deserving of attention, but the fact remains that for the majority of recipients, social assistance fills a temporary need in response to a particular life crisis. Social assistance can help them to make a transition from a period of crisis and dislocation to one of stability and reintegration into the mainstream of community life.

Clearly, there are recipients who remain on assistance for many years. The length of their stay can be determined by any of several interrelated factors, including medical problems, low education or literacy levels, limited skills, and the prevailing level of unemployment, as well as low self-esteem or personal motivation. However, such case histories must be seen in the context of a system that has substantial turnover.

The Changing Need for Assistance

Ontario's social assistance caseload has grown substantially in recent years. Figure 3 and Figure 4 demonstrate changes in the size and composition of Ontario's social assistance caseload over a period of nearly 20 years. Figure 3 reveals clear differences in growth patterns between those GWA recipients defined as employable and other GWA and FBA recipients.

Although there have been occasional declines in caseload, particularly in response to changes in unemployment levels and in the eligibility criteria of other income security programs, the general pattern for both GWA and FBA has been a continuing upward trend. From 1969 to 1987, the FBA caseload increased 175%, to more than 166,000, while GWA cases were up 180%, to more than 114,000.

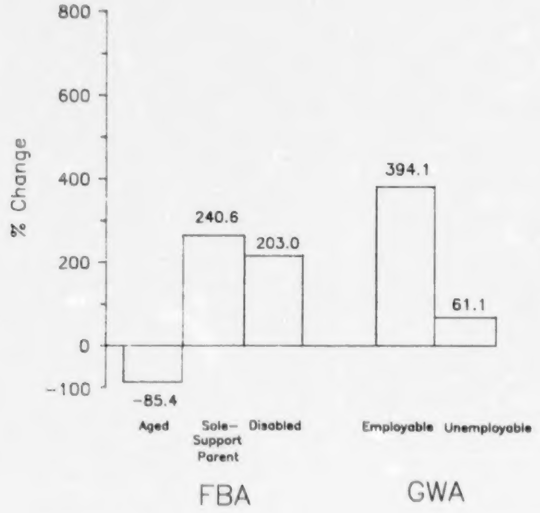
From 1981 to 1987, FBA cases increased 39% and GWA cases went up 48%. At the same time, Ontario's improving economic situation has resulted in a significant decline in the number of unemployed. There was also a net reduction of nearly 25,000 in the number of households living in poverty between 1981 and 1986.

Between 1969 and 1987, the number of employable recipients of GWA increased by nearly 400%, from fewer than 15,000 to more than 72,000. The 1970-71 economic recession caused the number of employable people receiving GWA to nearly triple from 1969 to 1971, to more than 41,000 cases. The introduction of significant improvements to the unemployment insurance program in 1972, coupled with a more buoyant economy throughout much of the next decade, caused a sharp decline in this caseload; it was not to reach 40,000 again until 1982.

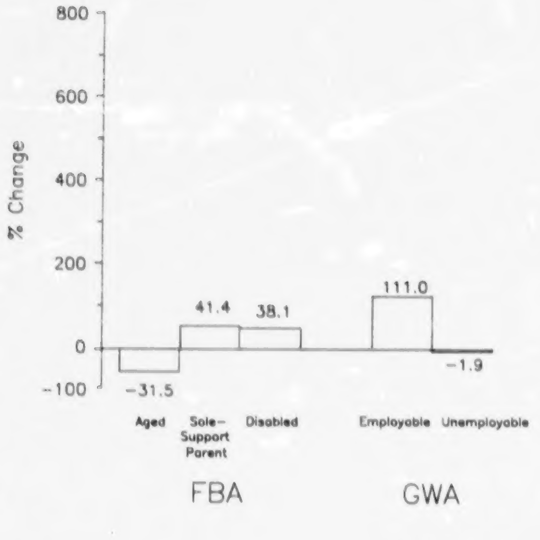
Of particular concern to policy-makers is the growth in the number of employable recipients who are single. This group has shown the largest increase, from 12.6% of GWA cases in 1969 to nearly 40% in 1987. Nearly 70% of the total increase in GWA cases

Figure 3. Changes in FBA and GWA Recipient Groups

1969–1987



1981–1987

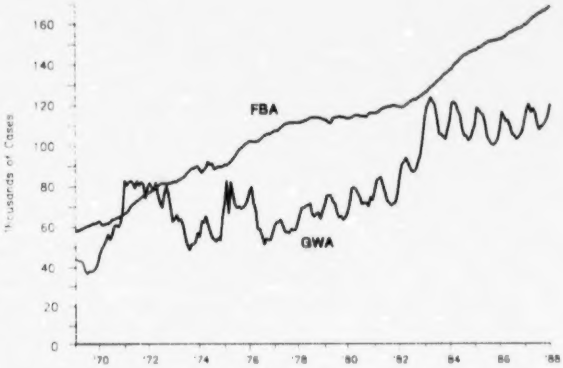


Source: Ministry of Community and Social Services.

from 1981 to 1987 was in this group.

In the FBA program, the numbers of single-parent families and disabled recipients grew substantially between 1969 and 1977, levelled off until 1981 or 1982, and then

Figure 4. Changes in Social Assistance Caseloads, 1969 – 1988



Source: Ministry of Community and Social Services.

resumed rapid rates of growth. From 1969 to 1987, single-parent families increased by 241% and the number of disabled recipients increased by 203%. Between 1981 and 1987, the increase for single-parent families was 41%, and for disabled recipients, 38%. By contrast, aged recipients, once nearly one in five FBA cases, now constitute barely one in 100, reflecting improvements in other programs for the elderly since 1969.

The caseload of unemployable GWA recipients grew substantially in response to the 1970-71 economic recession. Fluctuating between 35,000 and 45,000 since then, the number of unemployable GWA recipients in 1987 was virtually identical to their number 15 years earlier.

Figure 4 shows seasonal fluctuations in the GWA caseload; it generally peaks in the winter (January to March) and bottoms out in the early fall (September/October). This pattern reflects the seasonal nature of much of the province's part-time and low-wage employment, such as service industries, notably tourism, and the agriculture and food industries. The FBA caseload, by contrast, is moving steadily upward, with periods of levelling but no marked declines.

Overall, these patterns are visible in the growth of the caseload:

- Disabled people are now and have generally been the largest single group of social assistance recipients, making up nearly 50% of FBA cases and 32% of the combined caseload.
- Single-parent families are the next largest group and have grown faster than any other part of the FBA caseload, increasing from 33% to 41% of cases from 1969 to 1987. They make up 30% of the combined caseload.
- Employable recipients, particularly singles, are the fastest-growing element of the combined caseload. Counting both families and single recipients, the growth in this

category has been nearly 400% since 1969; for employable singles, nearly 800%.

- Since 1969, aged recipients have declined from nearly 20% of the FBA caseload to barely 1%. Introduction of the guaranteed income supplement, improvements to old age security, and a modest provincial supplement have combined to virtually eliminate this group from the caseload.

As a proportion of Ontario's total population, social assistance beneficiaries, including both recipients and dependants, stood at 4.9% during the 1971 economic recession. The proportion declined over the next two years and remained static at about 4.3% of the province's population until 1981. In the aftermath of the 1982-84 economic recession, the number of people receiving assistance increased to nearly 5.6% of Ontario's population in 1987.

Reasons for Growth in Social Assistance

The reasons underlying the growth in the number of people needing social assistance are as diverse and varied as the needs of the recipients themselves. Important demographic and social factors have shaped increases for disabled people, single-parent families, and employable recipients.

Disabled People Since 1981, this segment of the caseload has increased by nearly 23,000 recipients, or 38%. This growth results from the interaction of several factors, including policies of deinstitutionalization and community integration, employment barriers, advances in medical science, and a lack of support services.

During the last 15 years, the provincial government has pursued a conscious policy of reducing the number of institutional beds for developmentally handicapped people, as well as for psychiatrically disabled people. For example, between 1974 and 1986, admissions to institutions for the developmentally handicapped decreased by 60% in Ontario. During this same period, some 3,000 beds have been closed. A corresponding policy has been, therefore, to provide income support to disabled people through social assistance in the community. Much of the increased expenditure on disabled recipients under social assistance is not a real increase at all but rather a transfer of funds from institution-based care to the community sector.

Neither the benefit levels available to disabled persons on social assistance nor the levels of appropriate support services are adequate to permit many recipients to live independent lives with dignity in the community. Submissions to this committee suggested repeatedly that the failure of the social service system to put in place adequate levels of community-based services for persons leaving institutions greatly erodes their ability to participate fully in the activities of community life, while exerting tremendous pressures on social assistance to compensate for this neglect.

Increases in the general level of unemployment, while affecting predominantly those

John, 53, Renfrew

John has multiple sclerosis.
In 1962, I graduated with a degree in sociology and became a social worker in Toronto. In 1963, I was transferred to Renfrew and worked there until February 1964, when my multiple sclerosis became so severe that I was unable to remain employed.

I became a recipient of Family Benefits and have been on it ever since. My condition worsened through the years and I have now been in a wheelchair for some 20 years. I am unable to use my hands and legs, and do this typing with a device on my chin. With the help of this simple device I am able to communicate with the outside world.

Relied on neighbours

During periods in 1976 and 1979 when my wife was unable to care for me, attendant care was necessary, but not without problems. Attendant care was only available at certain times of day, so in the evenings I was pretty much on my own and relied on neighbours to come in and help me. The female nurses were unable to care for me by themselves and often had to get men in to help lift me in and out of bed, etc. What made things worse was that we were pressured to pay a larger and larger share of the cost of these services, and were certainly unable to pay $25 to $30 a visit. The services were not covered by OHIP, and our local welfare department was hesitant to pay anything at all. It was a very uncomfortable situation. All of the support services that make it possible for a disabled person to remain at home should be free, or maybe covered by OHIP. After all, keeping disabled persons at home is cheaper than caring for them in a hospital.

Keeping busy

My wife and I soon realized that keeping busy would be the best way to handle my disability. We began a small business, selling a few items out of our living room. In 1972, we were able to buy a small stucco house with enough room for the store, and have enjoyed living here ever since. The store doesn't give us much in profits but certainly keeps us busy and gives us a purpose in life.

I would more or less live like a vegetable if I had to live in a disabled-care facility. But at home I am an important link in the family structure as husband, father, and grandfather. Furthermore, I am a partner in a business which provides our provincial government with almost $2,000 a year in sales taxes and which gives steady part-time work to a student. With the device on my chin I am able to do all the paperwork for the store.

For all our efforts, we are allowed to

make between $100 and $200 a month in profits in our business. If we make more, part or all is taken off our $729 monthly Family Benefits cheque. In other words, we are expected to pay all our expenses – like house payments, a van with wheelchair lift, taxes, insurance, extra vitamins – all with about $900 a month.

We thank our Lord that we may live in a country where there is limited assistance available to people like us. And having the store has been such a blessing. But my wife has now worked hard in the store and taken care of me for some 20 years. I am now 53 and she is 52. Once we are 60, we would be happy to retire but will not be able to under the present circumstances. With the higher pension for retired persons we might be able to scrape by.

defined as employable, also harm those disabled persons who have been able to secure paid work. Along with unskilled youth, functionally illiterate people, and many single parents, disabled people often have the most marginal attachment to the labour market, with poor job security. As a result, they are among those most at risk during times of recession.

Recent data suggest that the types of disabilities among social assistance recipients have also been changing. Psychiatrically impaired people are a larger share of the FBA caseload today than they were only a few years ago, making up almost 25% of those whose applications for GAINS-D were approved in 1986. In addition, medical science today is saving more lives than ever before, so today's recipients are able to live with greater degrees of handicap. For example, about 10 years ago people paralysed by quadriplegia made up 25% of the paralysis cases on FBA. Today they make up 75%.

Finally, the numbers have also grown because more people are seen as meeting the existing definitions. Much of this growth can be attributed to the reliance upon clinical judgement, applied to criteria that can never be fully objective; a growing recognition of disabilities that previously were unseen or ignored; a greater willingness to see social, environmental, and economic factors as relevant to the disability decision; and strong advocacy efforts on behalf of disabled persons.

Single-Parent Families The increase in the number of single-parent families receiving social assistance is strongly associated with the increase in single-parent families in the community as a whole. This trend results from several related factors, including rising divorce rates, lower marriage rates, more unwed mothers keeping their babies, and more women leaving abusive spouses.

Single-parent families, 85% of which are led by women, continue to be among the most economically disadvantaged groups in the province. More than 50% of these families are poor. Many end up turning to social assistance because of the lack of real alternatives available to them. The growing "feminization" of poverty is a matter of great concern to this committee.

Between 1971 and 1981, the number of single-parent families in Canada increased by nearly 60%. They now make up 15% of all families, and their numbers are increasing at about two and a half times the growth rate of two-parent families. Between 1962 and 1979, the provincial divorce rate increased fivefold. Current estimates suggest that today nearly one-third of marriages are likely to end in divorce.

The marriage rate itself has declined as more couples choose to live together without marrying and as more single people decide to remain single. Unwed mothers are also keeping their babies much more than women did in the past. As recently as 1970, only about 30% of unwed mothers decided to keep their babies; today more than 90% choose this course of action.

Spousal assault is finally being addressed as the serious social problem it is. Increasing numbers of women are leaving abusive spouses. Many of these women have few community supports initially and require social assistance.

Employable Recipients Historically, changes in the number of employable recipients have closely paralleled the ups and downs in the economy, with their resultant impact on the availability of jobs. The recent surge of single employable persons as a proportion of total employable recipients has occurred in response to the restructuring of the economy.

Figure 5 traces the relationship between the number of employable GWA recipients and the number of unemployed people in the province as a whole. The figure reveals three distinct periods. After the 1970-71 economic recession, which pre-dated the improvements to unemployment insurance (UI) eligibility and benefits in 1972, the number of employable people receiving assistance was equal to about 20% of the unemployed. Following the improvements to the UI program, the number of employable recipients declined, and it remained at or near 10% of total unemployment in the province for nearly 10 years.

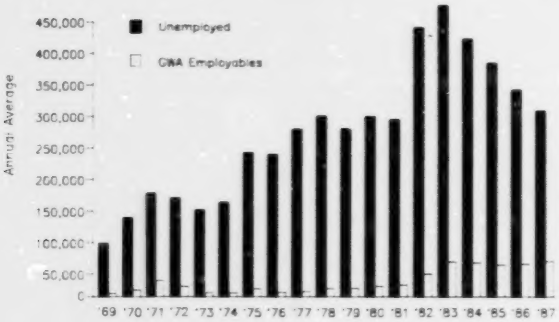
With the 1982 recession, the number of employable recipients increased much more rapidly than the number of unemployed. But although unemployment levels have receded since 1984, the number of employable recipients has remained high. Unemployment in Ontario in 1987 was only 7% higher than it was in 1981-82, but average monthly caseloads of employable recipients were up more than 110%. The number of employable recipients is again reaching a level equalling nearly one-fifth of Ontario's unemployed.

Business groups have told us that many manual or low-skilled jobs were eliminated during the 1982-84 economic recession and are simply not being filled or replaced, as industry retools to meet the challenges of a competitive world economy. The risks and benefits of recovery and transition are not being borne equally by all groups in society. Those with limited educations and obsolete skills are shouldering a large share of the burden.

Recent growth in the number of employable recipients exhibits two broad patterns: a substantial increase in the number of young single recipients with less than a high school education, low skill levels, and limited work histories; and a growing number of laid-off older workers who have exhausted their UI benefits and who are remaining longer on the social assistance rolls.

For many employable recipients, particularly single people without families to uproot, a logical response to the prospect of prolonged unemployment is to move to a larger urban centre or a more prosperous region within the country. This helps to explain the seeming paradox that while the economy in the Toronto region has been relatively buoyant since 1984, a disproportionate share of the total increase in GWA caseloads

Figure 5. Ontario Unemployment and Employable GWA Recipients, 1969–1987



Source: Ministry of Community and Social Services.

across Ontario occurred in Toronto and the surrounding municipalities of Durham, Peel, and York. Between December 1985 and December 1986, these four municipalities accounted for more than 75% of the growth in persons requiring GWA within the province, although they contain less than 40% of recipients within the program. A review of new GWA cases by welfare staff in Metropolitan Toronto found that nearly two-thirds were from other provinces, and about 80% were from outside the municipality.

Interprovincial migration has been more fluid. During the 1970s, Ontario was averaging a net loss of nearly 10,000 people a year, most of them to the then booming economies of western Canada. In the last few years, the net inflows to Ontario have resumed their earlier historical pattern. In the aftermath of the recession, net interprovincial migration to Ontario has averaged almost 35,000 people a year.

Many of these migrants require a period of readjustment in establishing themselves here. A significant minority lack education or skills, the dilemma that contributed to their inability to find work in the first place. At least initially, and perhaps for a substantial period, they may have to depend on social assistance to cover their basic expenses while they try to secure employment.

Staying on Assistance: Who Is at Risk?

For the majority of those receiving social assistance, the program serves as a temporary measure in the process of readjustment and transition after a life crisis such as unemployment, family break-up, or a temporary illness or disability. If we are to develop policies that can assist recipients in re-establishing their lives, we need to sort out which factors help people to recover quickly and which can result in long-term dependency. Of course, the nature of the crisis will have a lot to do with how long assistance is needed. For example, an employable single person may find a job from one day to the next; but it can take years for a single parent's children to grow old enough that the parent can return to the labour force. Single parents and disabled recipients have average stays of several years, while employable singles average eight months.

Even within these categories, however, a host of factors are at work that can significantly influence how long a recipient will remain on the program. Some of the factors that influence the length of time that single parents and employable recipients remain on social assistance are considered below.

Single-Parent Families

Single parents, like disabled recipients, tend to require assistance for longer periods of time than employable recipients because they are generally less job-ready and require more employment support services in order to find and retain a job. In any case, social assistance is designed to give single parents the choice between re-entering the labour market and staying home to raise their children. Whether because of family responsibilities or because of the lack of employment supports and other community resources, single parents end up with longer stays on assistance, and then the length of time out of the labour market itself acts as a barrier to their return to paid work.

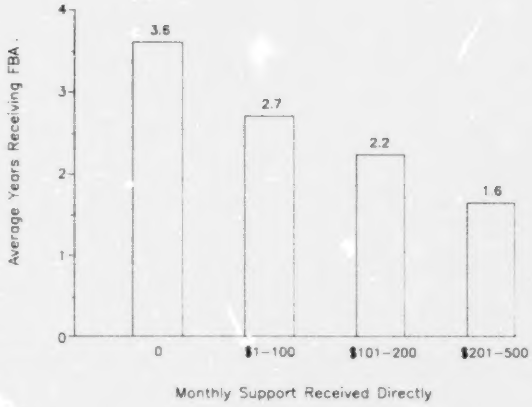
A study of the movement of FBA recipients into and out of the program revealed that between 1975 and 1984, approximately 40% of all FBA recipients either entered or left the program in each year. The figure confirms the primarily transitional nature of the program, even among the supposedly longer-term cases.

Contrary to what one might expect, the study reported that sole-support parents with pre-school children remain on assistance for shorter average periods than those whose children are already in school when they enter the program. In this study, families with more than one child received assistance longer than those with one child, and those with no earnings during their first year of receiving assistance tended to remain in the program longer than those able to secure some income from employment.[1]

Spousal or child support is another important factor. A clear relationship exists between the level of support payments received directly by single parents and the length of time they receive assistance. As Figure 6 reveals, those recipients who receive regular support payments are likely to leave the program more quickly than those who do not. Further, it reveals that the length of time in the program is inversely related to the total amount of support received. The nearly 50% of single parents receiving FBA who receive no support payments at all averaged between 3.5 and 4 years in the program. The 11% receiving between $10 and $100 per month averaged 2.5 to 3 years, while those receiving between $100 and $200 per month averaged 2 to 2.5 years. Finally, the mere 6% receiving in excess of $200 per month averaged less than 2 years in the program.

Figure 6. Spousal or Child Support and FBA Dependence, 1987

Higher levels of support correspond to shorter periods of dependence on social assistance for single mothers. Source: Ministry of Community and Social Services.



Employable People Receiving GWA

Although the data necessary to assess in detail the factors that contribute to long-term dependency are not available, some broad impressions based on data derived from municipal reporting forms are presented below. Table 2 shows variations in length of time in the GWA program by reasons for assistance and level of education. These data again emphasize the large turnover within the caseload. Fully two-thirds of GWA recipients in March 1987 had been in the program for six months or less; only 9% had received assistance for more than two years. The table highlights the important role played by chronic illness and both short-term and long-term disabilities in keeping recipients in the program for long periods.

Unemployed employable people were 52% of all recipients in March 1987, but they made up 58% of all those receiving assistance for six months or less and only 28% of all those in the program for more than two years. Only 5% of all unemployed employables had received GWA for more than two years. By contrast, those requiring assistance because of either temporary or permanent ill health amounted to 21% of total recipients, but they made up only 14% of short-term recipients and 56% of those who had been receiving assistance for more than two years. Approximately one in four of those receiving GWA because of health-related problems had received assistance for at least two years.

Table 2 also reveals that recipients with no high school education are much more likely to receive assistance for more than a year than are those with some education beyond grade 10. Surprisingly, however, the patterns for recipients with a grade 11, 12, or 13 education and for those with varying degrees of post-secondary education are

Table 2. Length of GWA Dependence, 1987

	Percentage of Total Recipients	Average Length of Stay (months)
REASON FOR ASSISTANCE		
Unemployed	52.3	6.5
Sole-Support Parent	12.7	6.0
Temporary Ill Health	15.3	14.7
Permanent Ill Health	5.5	22.0
Student	6.7	7.3
Other	7.5	9.3

	Percentage of Total Recipients	Average Length of Stay (months)
LEVEL OF EDUCATION		
Up to Grade 4	5.4	14.6
Grade 5 to 8	19.9	14.6
Grade 9 or 10	37.1	8.3
Grade 11 to 13	29.7	7.3
Some Post-Secondary	7.9	7.4

Source: Ministry of Community and Social Services.

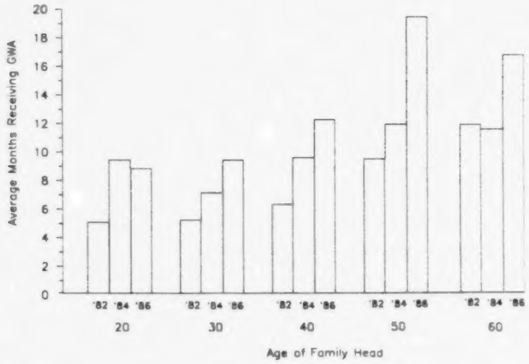
almost identical. The majority of recipients with no formal education or whose last grade completed was in elementary school are likely to receive social assistance for more than a year. For those recipients with levels of education ranging from grade 11 to the completion of a post-secondary degree, the proportion receiving assistance for more than a year was slightly more than a third.

In addition, recent trends suggest that GWA recipients are remaining in the program longer in the aftermath of the economic recession. This is somewhat surprising, since unemployment is now lower in the economy in general; it suggests that those with low skills, limited educations, and sporadic work histories continue to have difficulties re-entering the labour force. And as always, older workers have more trouble finding jobs than do younger workers.

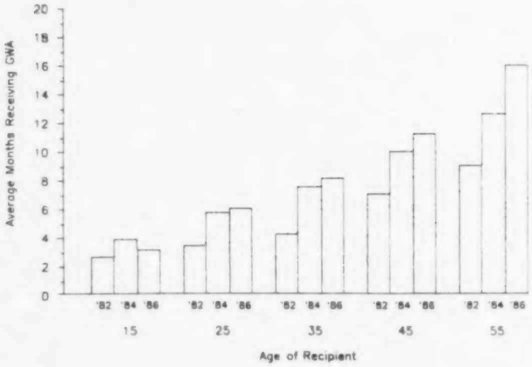
As Figure 7 indicates, between 1982 and 1986 the average length of stay in the program for both single persons and family heads nearly doubled. In 1982, the average stay for a 25-year-old single employable recipient was about three and a half months; by 1986, the average had reached six months. For a 55-year-old single recipient, the average length of stay had risen from nine months in 1982 to 16 months in 1986. For families with dependent children, the change in average length of stay is equally dra-

Figure 7. Age of Recipients and Length of GWA Dependence, 1982 – 1986

Couple with two children



Unemployed single recipient



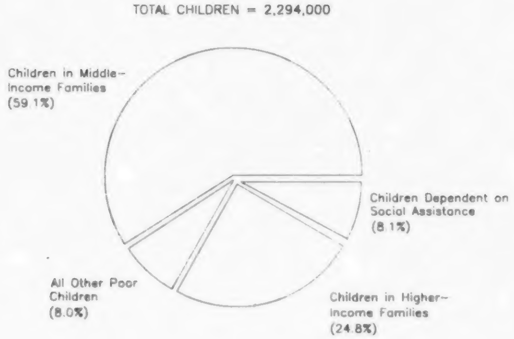
Source: Ministry of Community and Social Services.

matic. A couple with two children headed by someone 30 years old had an average stay of about five months in 1982; by 1986, it had risen to nearly 10 months. A couple with two children headed by someone 50 years old had an average length of stay of nine and a half months in 1982; their average stay in the program more than doubled, to just under 20 months, by 1986.

Recipient Sub-Groups

A number of sub-groups within the standard categories have needs that require special attention as part of any attempt to reform the larger system.

Figure 8. Ontario's Children by Income, 1986



Source: Ministry of Community and Social Services.

Children (Through Age 18)

During the last 15 years, there has been a dramatic increase in the number of children supported by social assistance. This growth is largely a reflection of the rapid increase in single-parent families, both among social assistance recipients and in the community generally. Four of every 10 persons who rely on social assistance are children; they represent 8% to 9% of all children in Ontario, as shown in Figure 8.

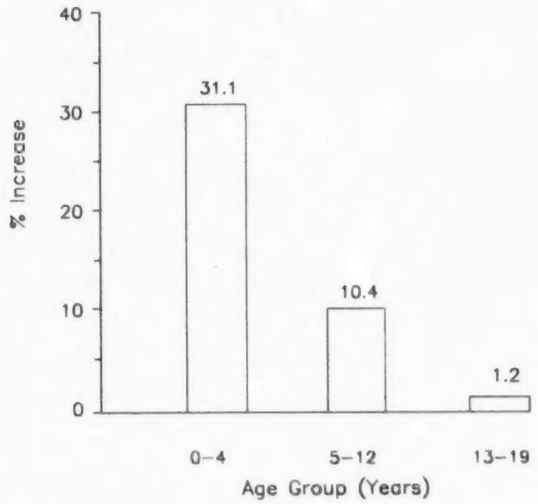
In September 1987, nearly 205,000 children were beneficiaries or direct recipients of social assistance. More than 130,000 received assistance through FBA; more than 64,000 through GWA. Another 9,500 children were "youth cases": people aged 16 to 18 collecting benefits in their own right. Among dependent children, 73% were children in single-parent families.

Figure 9 shows changes in the number of dependent children within specific age groups whose parents received GWA and FBA between 1983 and 1987. It reveals that the greatest recent increases have been among children under the age of five, in both programs. More than 60% of the total increase in the number of children over this four-year period occurred within the under-five group. By contrast, there has been only modest growth in teenage beneficiaries.

At any given time, at least half of all children living in poverty in Ontario are dependent on social assistance benefits. Submissions to this committee repeatedly stressed that young children in the social assistance system do not have the same developmental opportunities as do other children in society at large. This view is supported by a substantial body of literature on the subject, including a recent study at McMaster University that is described in greater detail in Chapter 3.[2]

The underlying message of this and similar studies from other jurisdictions is clear. The children of the poor, and especially children of assistance recipients, are unlikely

Figure 9. Children Dependent on Social Assistance, 1983–1987



Source: Ministry of Community and Social Services.

to have infant and pre-school stimulation programs, access to a variety of community support services, or quality child care. During the school years, "welfare kids" are disadvantaged by their lack of money for clothing, activity fees, and other school-related costs. In short, they lack the choices and opportunities available to most other children, options that could nurture and sustain their development.

Older Adults and Empty Nesters

As our economy continues to adjust and respond to changes in the competitive marketplace, older adults with obsolete skills may find themselves increasingly dependent on public assistance. Statistics for length of stay in the GWA program are already reflecting this trend.

Facing similar difficulties are the "empty nesters". This group within the social assistance caseload is made up primarily of single parents who have been receiving assistance for a long time; their children have grown up and left home, and they are ill equipped to find work because of their lack of education and skills and the length of time they have been out of the labour force.

Older adults, sometimes called the "near aged", are those between 55 and 65. Many of them, particularly women, have little or nothing in the way of private pensions. The current programs to meet the income needs of this group are fragmented and inadequate. Canada Pension Plan and private pensions cover them poorly, if at all, because their benefit structures are tied to earnings, and these adults have not had high earnings.

Many of these recipients are not medically unemployable, so they are restricted to receiving the lower GWA benefits rather than the higher benefits available to long-term unemployable FBA recipients. But they are "socially unemployable"; that is, their education, skill levels, and work experience make it unlikely that they would be able to seek and retain steady employment.

The dilemma of older adults continuing to receive inadequate GWA benefits, even when there is no reasonable prospect that they will find jobs, was raised again and again in submissions. The committee was urged to review the process of determining medical unemployability, and to consider other relevant social and economic factors in assessing a recipient's ability to re-enter the labour market.

For empty nesters, there is the special danger of losing their homes, particularly if they live in subsidized units, because the departure of their children reduces their entitlement to benefits and requires them to seek smaller accommodation. This prospect can exert a great strain on recipients for whom coping with new lives as single adults after lifetimes of caring for their children already represents a major psychological adjustment.

Young People Between 16 and 24

A disturbing trend in caseload growth in recent years is the rising number of young people under age 25. More than a third of the approximately 47,000 employable single persons receiving GWA are under age 25. People between 16 and 20 total more than 22,000 cases. Add to this number the dependants in families headed by someone under age 25, and this group now accounts for approximately 52,000 people, or 10% of all social assistance beneficiaries in the province.

This increase among young people on assistance reflects a number of social trends, including high dropout rates, a lack of basic literacy skills, and the continuing failure of training and apprenticeship programs to prepare people for jobs in an increasingly competitive world. The job market of the late 1980s increasingly requires both written and verbal communications skills, as well as numeracy skills, at a level that many GWA recipients simply do not possess.

Many of these poorly skilled and undereducated young people are caught in a difficult catch-22. Their lack of education has left them unprepared to compete effectively for available jobs, so they often drift from one short-term or occasional job to the next, looking for an opportunity to establish themselves. Their sporadic work histories limit their ability to seek and retain steady, full-time employment. At the same time, their lack of work experience renders them ineligible for unemployment insurance, so they often come to rely on social assistance between jobs.

Recent Immigrants and Refugee Claimants

In addition to the risks of unemployment, family breakdown, and disability that we all share, newcomers to Canada often face a host of cultural and linguistic barriers. It is essential that income security programs show sensitivity to these additional barriers to broader social participation.

Few immigrants coming to Canada require social assistance, because of the nature of the sponsorship agreements that bring them to Canada in the first place. But although these sponsorship agreements represent a legal obligation between the Government of Canada and a sponsor, a disagreement between federal and provincial jurisdictions makes these sponsorship agreements largely unenforceable in Ontario. Therefore, if sponsorship breaks down, immigrants are unable to obtain the funds that the sponsor is legally obligated to provide. The result in some instances is a temporary requirement for social assistance. In presentations before this committee, multicultural groups drew special attention to the problems faced by sponsored immigrants, refugee claimants, and domestic workers in securing benefits and services under social assistance.

Refugee claimants often find themselves in an untenable situation. While the status of their refugee claims can itself deny them the opportunity to support themselves through work, many municipalities are reluctant to provide anything beyond emergency assistance. Recent immigrants unfamiliar with our culture and unable to converse in English may face discrimination in their attempts to find employment or affordable housing. Worse still, the complexity of the social assistance system makes it especially difficult for non-English speakers to get even basic information about rights and entitlements in meeting their needs.

The Need for Change

In the last 20 years, the causes of poverty have changed dramatically, and the nature and quantity of support services needed by the economically disadvantaged have changed accordingly. Among the myriad of factors that have contributed to the large and unanticipated growth in the need for social assistance are changes in household composition, increases in family breakdown and the rapid growth in single-parent families, deinstitutionalization and the integration of disabled people into the community, changing conditions in the economy and in employment prospects for those with limited skills, and the declining stock of affordable rental housing.

Additional demands on the system come from the many single parents and disabled recipients who wish to pursue full-time or part-time work and require services to assist them in overcoming barriers to employment. Older workers displaced by economic restructuring as well as young people with low skill and literacy levels need training and supports to gain entry into the job market.

The social assistance system of the 1960s was based on certain assumptions: GWA was to serve a largely employable population who were in need of only short-term crisis assistance. FBA was targeted towards those requiring long-term support and deemed to be unemployable, principally single mothers and disabled people. Such clear-cut distinctions bear little or no relationship to the realities of the late 1980s. The GWA program now contains a sizeable minority of chronically ill and other long-term recipients who have little or no prospect of securing immediate employment; FBA now includes many single parents and disabled persons who succeed in re-entering the labour force within a year.

The roughly 1,500 written and oral briefs and presentations received by the committee from people and organizations all over Ontario gave eloquent and often moving testimony of the need for a thorough overhaul of the system without delay. The breadth of issues and concerns raised in the submissions underscores the complexity of the system and the need to ensure that changes in Ontario's social assistance programs are developed with reference to other elements of the income security system, such as unemployment insurance, federal programs for the aged, and tax credit schemes.

Large numbers of the submissions addressed some major problems that surfaced again and again. The five principal problem areas, which are addressed in greater detail in later chapters, are summarized below.

Insufficient Incomes

Hundreds of submissions emphasized that current benefit levels are grossly inadequate to meet the basic costs of food, shelter, and maintaining a household. The rapid expansion in the network of food banks and emergency hostels in recent years was cited repeatedly as evidence of this inadequacy.

Also criticized was the lack of a clear or consistent rationale in establishing income requirements. Even a cursory look at the patchwork of 22 eligibility categories, and the differentiation of benefit levels among them, reveals a benefit structure based more on the antiquated hierarchy of deservedness than on a realistic appraisal of the costs of meeting basic needs. Many briefs noted that despite the clear inadequacy of social assistance incomes, the situation faced by families not receiving social assistance, supported only by low-wage earners, was often worse. This led to many demands for a frontal assault on poverty itself, with a comprehensive approach that responds to the problems faced by both the so-called welfare poor and the working poor.

Complexity of the System

Nearly everyone agrees that the piecemeal evolution of the current system has produced a service delivery structure so complicated that most recipients and even a significant number of front-line workers have difficulty sorting their way through the various regulations and procedures. Confusion abounds regarding roles and responsibilities, about conditions and entitlements. As a result, many people have trouble getting even basic information, and access to appropriate services is difficult to obtain. Undue complexity within the programs greatly increases the need for administrative discretion, erodes public accountability, and makes recipients more dependent on the judgements of individual caseworkers. In addition, the more complicated and impenetrable the methods by which benefits and services are delivered, the more difficult it becomes to take a comprehensive approach to shaping social assistance policies and programs.

Disparities in Services

The combination of large, unmanageable caseloads and the frequent need to exercise administrative discretion in coping with complex procedures has led to instances of recipients in similar circumstances being treated in different ways. Some recipients have access to appropriate program resources while others do not. One reason why services vary is that municipalities are required to finance part of the GWA program, and those municipalities with a limited tax base may have difficulty funding the same range of services as more affluent centres.

Obviously, these disparities are inequitable. But they also undermine the confidence of both recipients and the public in the essential fairness of the system and in its ability to meet its responsibilities in a manner that accords with procedural justice. Further, an over-reliance on broad discretionary powers, especially when they appear to be applied in an inconsistent and arbitrary fashion, erodes the self-esteem of recipients and reinforces the stigma of dependency.

Lack of Support Mechanisms

Few mechanisms within the existing social assistance system support and facilitate the efforts of recipients to achieve greater self-reliance and reintegration within the mainstream of community life. One of the most telling ironies of the current system is its treatment of earnings from employment. On the one hand, employable recipients are expected to seek and retain employment, while on the other hand, they are penalized for working by having their benefits reduced to a degree that strongly discourages such efforts.

Forced unemployment is only one of the ways in which recipients become excluded from the mainstream of community life. Integration requires more than simply adequate incomes and the opportunity to engage in productive work; it demands access to services to overcome barriers that limit the participation of recipients in community life.

Lack of Program Co-ordination

Poor integration of the various elements of the larger income security system compounds the problems confronting both recipients and those involved in program delivery. Because other elements of Canada's income security system fail to provide an adequate income, considerable numbers of clients receive both social assistance and unemployment insurance, Canada Pension Plan benefits, or workers' compensation. The policies of these other programs regarding minimum wages, immigration sponsorship, child support payments, and the tax and transfer systems all create problems of co-ordination for the deliverers of social assistance.

In addition, most low-income recipients need a range of services and supports in order to re-establish their lives within the larger community. To the extent that these are provided by different agencies, often with differing sets of eligibility and program criteria and no one to take responsibility for overall co-ordination, recipients will be poorly served and will continue to have problems securing access to the services they need.

Meeting Basic Needs

Adequate Incomes

By any of the widely recognized benchmarks of adequacy used in Canada today, the incomes of social assistance recipients are inadequate. Table 3 compares social assistance incomes in Ontario with data on median household incomes, the low-income cut-off lines developed by Statistics Canada, and the budget guidelines developed by the Social Planning Council of Metropolitan Toronto.

The incomes of recipients include not only their monthly benefits but also any lump sums to which they may be entitled, such as winter clothing allowance, back-to-school allowance, federal child-related benefits, Ontario tax credits, and the average value of in-kind assistance such as free OHIP and drugs. For some recipient households, these additional benefit sources can amount to more than a third of their total combined incomes. But even these incomes are substantially below any of the adequacy benchmarks cited.

Figure 10 shows changes in the monthly benefits available to four types of recipient households from 1975 to 1988, in relation to changes in the cost of living. In all four cases – a single employable person receiving GWA, a couple with two children receiving GWA, a single parent with two children receiving FBA, and a single disabled person receiving GAINS-D through FBA – the pattern shows a significant drop in purchas-

Table 3. Social Assistance Incomes, Median Incomes, and Poverty Lines, 1987

			Poverty Lines	
	Social Assistance Incomes	Median Ontario Incomes[1]	Statistics Canada, Metropolitan City	Social Planning Council of Metropolitan Toronto[2]
HOUSEHOLD				
Single employable receiving GWA	5,950	22,300	11,050	14,550
Mother, two children (ages 3 & 8) receiving FBA	14,750	43,350	19,500	19,250
Couple, two children (ages 10 & 13) receiving GWA	15,360	49,050	22,500	26,800
Couple, two children (ages 10 & 13), one disabled adult receiving GAINS-D	17,650	49,050	22,500	26,800

[1] 1986 median incomes have been updated to 1987 using a 4-per-cent adjustment for inflation.
[2] Based on budget guide estimates for December 1986.

Source: Statistics Canada. *Income Distribution by Size in Canada* (13-207); Social Planning Council of Metropolitan Toronto, *Guides for Family Budgeting* (1987).

ing power during the late 1970s, a bottoming out in 1981, and a gradual restoration by 1988.

Single employables were probably the hardest hit by this erosion in inflation-adjusted incomes, suffering a loss of nearly 30% from 1975 to 1981. For those eligible to receive the maximum shelter allowance, this loss had been fully restored by 1988. For both the couple with two children receiving GWA and the single-parent household receiving FBA, the decline in purchasing power was about 22%, also fully restored for those receiving maximum shelter allowances. For disabled singles, the erosion in benefit levels between 1975 and 1981 was slightly less than 20%, with subsequent increases fully restoring this loss in purchasing power by 1986. After adjusting for inflation, therefore, the benefit levels of recipients in 1988 are essentially the same as they were in 1975.

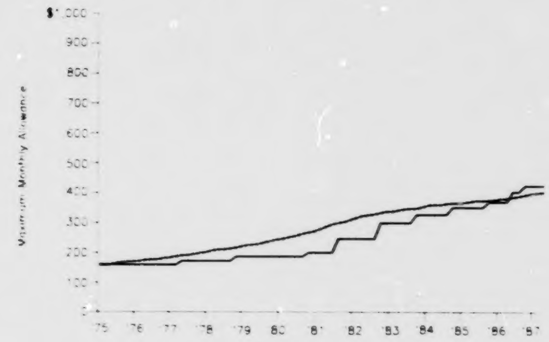
Examining the social assistance rates paid in other provinces reveals the implicit and de facto views on adequacy of the various provincial administrations. Table 4 presents comparative data on the rate structures in the 10 provinces as of January 1988 for four different types of households. However, efforts to compare welfare rates across jurisdictions are fraught with problems caused by differences in definitions, administrative practices, and the treatment of shelter costs. These data should be read as capturing only a broad impression of variations among jurisdictions. In addition, some prov-

Figure 10. Inflation and Social Assistance Benefits, 1975-1988

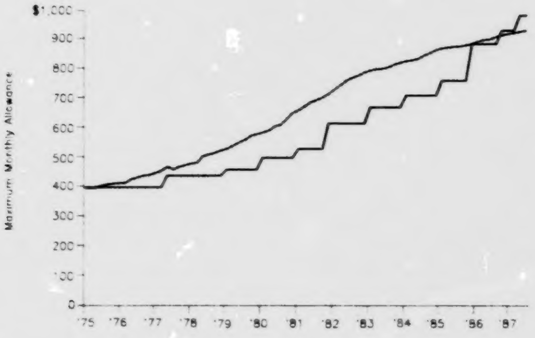
Single employable recipient of GWA

— — — Levels that benefits would have reached if increases had kept up with inflation since 1975.

——— Actual benefit levels.



Couple with two children receiving GWA



Single parent with two children receiving FBA

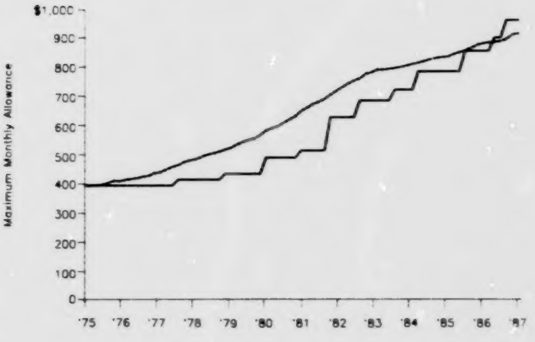
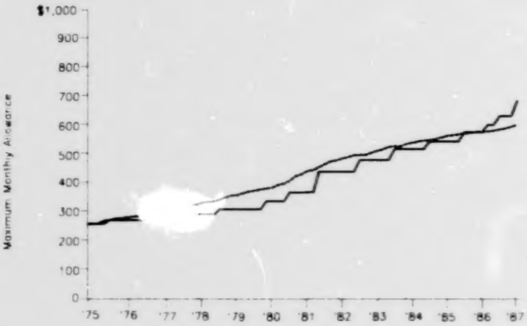


Figure 10 continued

Single disabled recipient of FBA



Source: Ministry of Community and Social Services.

inces may have made further adjustments to their rate structures since the time of writing.

In broad terms, the largest variations occur in benefits for single employables. Ontario provided a level of benefit nearly two and a half times that of Quebec's, $467 as compared with $188. For single disabled recipients, Alberta's monthly benefits were the most generous, $720; this level was only 4% higher than that of Ontario. For single parents, Ontario offered the highest benefits, $993, although three other provinces were within 10% of this amount. Monthly benefits for an employable couple with two children also varied considerably, from a high of $1,110 in Saskatchewan to a low of $731 in New Brunswick.

These figures demonstrate surprisingly wide variations in the levels of income support available to various categories of recipients. In each of the four cases, variations in benefit levels were around 50%. But no province furnished any category of recipients with a level of income support approaching the adequacy benchmarks cited in Table 3.

The financial and psychological strain of trying to get by each month on such inadequate incomes is difficult to quantify. Statistics Canada's Family Expenditure Survey indicates that the typical low-income family spends 75% of its income on the four basic needs: food, shelter, clothing, and transportation. Of these, shelter costs display the greatest fluctuations from one household to the next. But the day-to-day experience facing the majority of social assistance recipients is even harsher than this general figure would suggest. To begin with, in measuring a "typical" low-income family, one loses sight of the difference between those who are living only a fraction below the poverty line and those who are surviving on incomes equal to only 50% to 70% of the poverty line. Many social assistance recipients are living in extreme poverty.

In its 1986 report *Living on the Margin*, the Social Planning Council of Metropolitan

Table 4. Social Assistance Rates Across Canada, January 1988

	Single Employable Person	Single Disabled Person	Mother with Two Children (ages 10 & 13)	Employable Couple with Two Children (ages 10 & 13)
PROVINCE				
Newfoundland	$292	$472	$783	$862
Prince Edward Island	464	602	810	944
Nova Scotia	412	483	864	880
New Brunswick	227	441	697	731
Quebec	188	488	724	903
Ontario	467	693	993	1,043
Manitoba	411	461	853	1,009
Saskatchewan	405	535	915	1,110
Alberta	405	720	932	1,082
British Columbia	430	583	921	973

The rates are the highest applicable to the particular type of household, assuming a shelter cost equivalent to the maximum shelter cost recognized within Ontario's shelter subsidy program. Source: Ministry of Community and Social Services.

Toronto examined the relationship between income and expenses for three typical households receiving social assistance. The results suggested that many recipients are spending between 80% and 100% of their monthly benefits on food and shelter costs alone. In fact, the report stresses that for most single employable people who rent private accommodation in higher-cost cities, the current level of benefits makes it next to impossible to secure adequate, affordable housing and ensure a balanced, nutritious diet as well.

A background paper prepared for this committee presents family expenditure data for low-income to median-income households in Ontario that do not receive social assistance.[3] The data reveal that single people with incomes comparable to those of employable GWA recipients spend nearly 75% of their total annual income on food and shelter costs. Family households – single parents with two children, and couples with two children – with income levels comparable to those of assistance recipients spend an average of 50% to 55% of income on food and shelter.

Given the inadequacy of existing benefit levels, it is hard to imagine how most families on social assistance would be able to cope at all were it not for the additional income that they receive from child-related benefits and other sources. Single parents with one to three children are able to augment their monthly benefits by 24% to 37% from these other income sources.

Table 5. Rental Costs for Recipients in Five Communities, 1986

Percentage of Income Paid in Rent	0 to 39.9%	40 to 49.9%	50 to 59.9%	60 to 69.9%	70% +
COMMUNITY					
Toronto	24.5	32.4	26.2	11.2	5.7
Ottawa	29.1	29.0	24.0	10.5	7.4
Hamilton	30.0	42.5	21.6	4.2	1.7
Waterloo	29.7	38.4	23.1	6.3	2.5
Perth County	47.5	33.0	15.3	4.2	0

Source: Ministry of Community and Social Services.

Affordable Housing

In Ontario today, the cost of housing represents the single largest expenditure in most recipients' budgets. The amount necessary to secure decent affordable housing varies considerably from one community to another; but in most larger urban centres, rental accommodation can consume 40% to 70% of monthly benefits. There is general acceptance that households should devote no more than 30% of income to cover shelter costs if they are to retain sufficient resources to purchase other basic necessities required to operate and maintain a household.[4]

Two studies conducted in 1986 by municipal welfare authorities in Toronto and Ottawa examined the proportion of income that GWA recipients in their communities were required to pay in rent. These are two of the higher-cost housing markets in Ontario, and GWA recipients are in a worse financial position than FBA recipients, so it might be argued that the studies present a worst-case scenario. In Toronto, about 70% of single recipients were found to be renting on the private market; 87% of these were spending more than 50% of their benefits on shelter. Nearly one-third were spending 70% or more. In Ottawa, single persons were typically spending 55% to 74% of their monthly benefits on shelter, while families spent 45% to 54%.

The committee looked at rental payments as a proportion of recipients' incomes in five communities of differing size to assess the extent to which the costs cited in the Toronto and Ottawa studies were representative of the situation facing recipients across the province.[5] The five areas included were Toronto, Ottawa, Hamilton, Waterloo, and Perth County. Serious affordability problems were evident in all five areas, as shown in Table 5. The situations in Toronto and Ottawa were the most severe, with a substantially higher proportion of recipients paying more than 50% of their incomes in rent. With the exception of rural Perth County, at least 70% of recipient households in these communities were devoting 40% or more of their monthly income to rental costs. Even in Perth County, more than half of all renters receiving social assistance are spending more than 40% of their limited incomes to cover the cost of shelter.

For the vast majority of recipients in private housing, the amount paid in rent each month significantly exceeds the affordability threshold of 30% of income. In higher-cost housing markets, many recipients are paying amounts at least twice as high as what they can really afford to pay. They must often go without other essential items and cut back even on the basics of food and clothing in order to cover the high cost of housing. It is hardly surprising, therefore, that hundreds of the submissions made to this committee strongly emphasized the need to tackle the housing affordability problems of low-income renters. Several submissions noted that the failures of the present system are leading to the creation of a secondary welfare system in the voluntary sector. Many presented evidence of the growing role that food banks and emergency hostels are being forced to play in coping with the inadequacy of recipients' incomes and their inability to secure stable, affordable housing.

Despite the introduction of a shelter subsidy scheme in 1981 and several subsequent improvements designed to assist recipients to meet high shelter costs, remarkably little progress has been made in easing the burden of paying for private rental accommodation. Those recipients forced to seek private accommodation continue to be at a significant economic disadvantage, when compared with the roughly one in seven recipient households lucky enough to be living in rent-geared-to-income housing. According to one study, the introduction of the shelter subsidy scheme and various improvements up to mid-1986 had succeeded in eliminating less than 40% of the disparity in after-shelter disposable incomes between those living in rent-geared-to-income housing and those renting on the private market.[6]

As recently as 1985, nearly one in three households receiving FBA and eligible for shelter subsidy were paying rents that exceeded the maximums recognized by the program. However, program improvements since then have reduced the number of recipients whose rents exceed the maximums, as shown in Table 6. These maximums nevertheless remain well below median rent levels in higher-cost centres like Ottawa and Toronto.

The Social and Economic Environment

Social assistance must be examined in the context of the broader changes taking place in our society. After nearly three decades of sustained economic growth following the end of World War II, the period since 1975 has been one of great change, with slow growth, economic restructuring, the introduction of new technologies, persistently high levels of unemployment, and a net decline in wage levels.

Table 6. FBA Recipients Whose Shelter Costs Exceed Available Subsidies

	Jan. 1985	Jan. 1986	Sept. 1986	July 1987	Dec. 1987
FAMILY SIZE					
1	29.1%	21.7%	19.9%	21.3%	23.9%
2	28.2	9.6	8.0	12.1	13.3
3	30.6	15.5	13.0	16.5	19.2
4	33.6	19.0	16.0	18.9	20.8
5	32.1	24.9	18.3	18.3	19.6
6	32.0	24.0	19.9	14.6	14.5

Percentage of households eligible for shelter subsidy who still pay more rent than the maximum allowed under the program. Source: Ministry of Community and Social Services.

These trends are causing increased demands on the entire income security system; social assistance, as the income support program of last resort, has to cope with the failures of all other elements of the system to respond effectively to these pressures. The combination of job losses in sectors of the economy undergoing restructuring, more limited employment prospects for those lacking skills, and declining real incomes, particularly in the low-wage sector, have all contributed towards an increase in poverty among households with one or more persons in the labour force. These systemic and interrelated trends influence the development of social assistance programs.

Poverty in the 1980s

The decade between 1971 and 1980 was one of modest but real success in efforts to reduce poverty among Canadians. The success was due partly to rising incomes, and partly to improved pension benefits for the elderly. The 1982-84 economic recession completely reversed this trend. It resulted in dramatic increases in poverty, especially for families with children. Although an improving economy in Ontario since 1984 has greatly reduced the number of households living in poverty, it has not led to a similar reduction in the numbers requiring social assistance.

A variety of approaches have been applied in measuring the extent of poverty in Canada.[7] The most widely used is probably the one developed by Statistics Canada, described as the low-income cut-off lines. This measure defines a minimum amount of income needed by an individual or family to provide for basic living requirements; households that spend more than 58.5% of their gross income on food, clothing, and shelter are considered to have insufficient incomes to provide for their other basic needs.

While the low-income cut-offs look at incomes and consumption patterns in an

Table 7. Ontario Families in Poverty, 1984

	All Families	Poor Families	Poverty Rate (%)
TYPE OF FAMILY			
Childless couples	727,300	55,700	7.7
Couples with children under 18	1,045,800	93,300	8.9
Female single parents with children under 18	146,100	80,400	55.0
All families	2,406,800	275,100	11.4
BY SEX OF HEAD			
Female	273,000	100,200	36.7
Male	2,133,600	174,900	8.2
BY EDUCATIONAL STATUS			
Elementary	506,600	78,000	15.4
High school	1,122,000	147,600	13.2
Post-secondary	778,100	49,600	6.4
BY EMPLOYMENT STATUS			
Full-time worker	1,859,500	134,500	7.2
Part-time worker	89,800	23,800	26.5
Did not work	457,500	116,800	25.5

Analyses based on Statistics Canada microdata tape *Incomes of Economic Families, 1984*, which contains data collected in the 1985 Survey of Consumer Finances. All computations on these microdata were done by Analytical Services Section, Policy, Communications and Information Branch, Health and Welfare Canada, and the responsibility for the use and interpretation of these data is entirely that of the author(s).

aggregate sense, other measures, such as the budget guidelines developed by the Social Planning Council of Metropolitan Toronto, use a basket-of-goods approach in identifying the actual costs of purchasing particular goods and services necessary to support an adequate budget. Like other widely used poverty measures, both approaches are based on the notion of relative deprivation, which compares the incomes and purchasing power of the poor with the standard of living and consumption patterns of households in the larger community. Despite differences in method and approach, various poverty measures generally result in minimum income levels within 10% or 15% of one another.

Poverty data compiled by the National Council of Welfare on the basis of Statistics Canada's low-income cut-off lines are summarized in Tables 7 and 8. In 1984, there were nearly 1.2 million men, women, and children living in poverty in Ontario, or 13.8% of all residents. It is evident, however, that the incidence of poverty differs considerably among household types.

Table 8. Poverty Trends in Ontario, 1980–1986

YEAR	All Families	Poor Families	Poverty Rate (%)
1980	2,222,100	227,200	10.2
1981	2,310,500	229,600	9.9
1982	2,340,500	267,700	11.4
1983	2,375,300	281,800	11.9
1984	2,406,800	275,100	11.4
1985	2,458,400	249,700	10.2
1986	2,485,000	216,200	8.7

YEAR	All Unattached	Poor Unattached	Poverty Rate (%)
1980	944,500	344,600	36.5
1981	877,700	301,100	34.3
1982	911,100	296,400	32.6
1983	926,300	373,100	40.3
1984	917,300	311,200	33.9
1985	976,500	311,800	32.0
1986	1,033,900	292,600	28.3

Analyses based on Statistics Canada microdata tape *Incomes of Economic Families, 1984*, which contains data collected in the 1985 Survey of Consumer Finances. All computations on these microdata were done by Analytical Services Section, Policy, Communications and Information Branch, Health and Welfare Canada, and the responsibility for the use and interpretation of these data is entirely that of the author(s).

To be a woman raising children alone can be a passport to a life of poverty. Table 7 shows that the poverty rate in 1984 for Ontario's estimated 146,100 female-led single-parent families was 55%, compared with less than 9% for two-parent families. Female-headed families are more than four times as likely to be living in poverty than are male-headed families. Table 7 also shows large variations in poverty rates on the basis of education and employment status. For example, the incidence of poverty among family heads with only an elementary education is 15.4%, compared with 6.4% for those with some post-secondary education. Those who did not work or worked only part-time have poverty rates three times those of full-time workers.

In 1984, about 15% of all Ontario families with children were living in poverty. These 185,500 families contained 367,400 children, or 16% of the province's children. Larger

L., 32, small town

L. is a single mother.

My six-year-old daughter has definitely felt the effects of living on Family Benefits since her birth. The basement apartment we lived in for the first five years of her life put us in constant danger, but I couldn't afford anything better. The wiring in the heating system was faulty, so we were fearful of a fire starting during the winter months. The apartment also affected my daughter's health. She was always ill with a cold or infection due to the dampness in the basement. Every six months she had to take antibiotics, which may have affected her ability to fight off germs naturally.

Groceries or housing?

I applied for Ontario Housing in 1984. In early 1986, the landlord sold the apartment and the new owners evicted us. I contacted Ontario Housing, and after one and a half years of waiting, they said they couldn't help me. So, using grocery money, I searched for a new home. After two months of looking, landlord discrimination and mounting child-care and transportation costs forced us to move into my parents' basement. This necessitated taking my daughter out of her first year of school. Four months later I finally found an apartment, but we had to move out of Toronto.

Although we have now lived in the apartment for a year, my daughter still asks me if we'll have to move again. All of the moving around has made her insecure about what the future holds. She feels very unsure about what is going to happen and she now knows that sometimes I can't do anything about it.

My daughter has also suffered emotionally. She knows her clothes and toys are not quite as good – her term is "neat" – as other kids'. For her birthday we can never go out to McDonald's or roller-skating like her friends do.

So many childhood activities are not affordable: school pictures and class trips; play days and hot-dog days at school; summer crafts and camp; movies; clubs; recreational equipment; outings to the zoo, the park, and the store; and money to go someplace when invited by a friend's family. My daughter knows I don't have enough money to buy things – even necessities. She now tries to get our friends to chip in to buy us a car or a bed.

When she was just three years old, she asked me to buy a cabbage so she could see if there was a Cabbage Patch baby inside. Halfway through asking me for the cabbage, she stopped and said, "Is it on sale?"

families and those with younger children suffer the highest incidence of poverty. The poverty rate for families with three or more children exceeds 20%.

Table 8 shows broad trends in the incidence of poverty for both families and single people since 1980. It provides some sense of how the improving economic conditions in Ontario since 1984 have translated into reductions in the magnitude of poverty. From a peak of 281,800 in 1983, the number of poor families in Ontario had declined by about 65,000 to 216,200 in 1986. The situation of single people is equally encouraging. The number of poor single individuals had declined by more than 80,000 from its 1983 peak of 373,100, and stood at 292,600 in 1986.

But poverty continues to be a fact of life for nearly a million people in Ontario. Although the economic recovery has helped to cut close to a quarter of a million people from the ranks of Ontario's poor since 1984, the number requiring social assistance continues to grow. The poor are still a cause of great concern. The recent past has taught us that the incidence of poverty, especially among the working poor, can shrink or grow dramatically in response to changing economic conditions.

The Working Poor

Many who recognize and deplore the pervasive nature of poverty in our society fail to understand that the majority of the poor receive no money from social assistance at all. Although some do receive income from other government income security programs – notably old age security, the guaranteed income supplement, Canada Pension Plan, and unemployment insurance – the majority receive the bulk of their incomes from earnings.

A 1986 report by the National Council of Welfare argued that income inequalities between rich and poor in Canada had increased alarmingly between 1980 and 1984. It found that the average incomes of the poorest 20% of Canadian households, both families and individuals, had declined by 8% to 10% relative to those of the wealthiest households.[8] The decline is a function of several broad economic trends, including higher levels of unemployment, the displacement of older workers by economic restructuring, the failure of minimum wages to keep pace with changes in the cost of living, and changes in the taxation and income transfer systems that have largely benefited the more affluent at the expense of the poor and those on modest incomes.

During times of high unemployment, it is usually those with the most tenuous attachment to the labour market who are most adversely affected – those with limited skills and lower levels of education, the functionally illiterate, or those with short or sporadic work histories. These are the very characteristics that define many low-wage workers as well as those most likely to end up on social assistance. Thus begins the downward slide of lay-off, exhaustion of UI benefits, and survival on scarce savings, which can lead eventually to receipt of social assistance.

Our economy is in a period of transition. Assembly-line jobs in the manufacturing sector are threatened by retooling and the introduction of automated control systems and robotics. The office environment is being rapidly transformed by the introduction of microtechnology, which often eliminates the need for many lower-level filing and clerical positions.

Although the introduction of these new technologies may be contributing to higher overall levels of unemployment, an even more critical issue is the question of dislocation and the need for labour adjustment programs. A recent study by the Paris-based Organization for Economic Co-operation and Development notes:

> The main impact of new technologies will not be on the number of total jobs, but on the changes in occupations and skill requirements in the workplace. Technological change is increasing white-collar jobs and reducing blue-collar jobs... But, many of those who lose jobs cannot be trained for these new jobs because they lack an adequate education.[9]

Poverty among working households in Ontario has also been greatly exacerbated by the declining real value of this province's minimum wage. A minimum-wage job has never yielded sufficient income to provide adequately for the costs of raising a family, but today the minimum wage provides an insufficient income to support even a single person in many parts of Ontario.

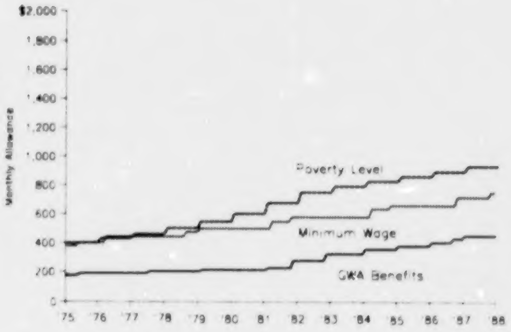
Figure 11 traces the changes between 1975 and 1988 in the gross income derived from working 40 hours a week at the minimum wage for three households: a single person, a single parent with two children, and a two-earner couple with two children. Also shown are the poverty line and the maximum monthly social assistance benefits for each household. For most of the 1970s, Ontario's minimum-wage rates were capable of supporting a single person and a two-earner couple at a level of income comparable to the poverty line. Since 1979, the gross income from employment at minimum wage has lost about 20% of its value – a major erosion in the living standards of low-wage workers. But for a single parent supporting two children, a minimum-wage income has never provided even a poverty-level existence. Despite the inadequacy of social assistance benefits, most single-parent families are better off financially receiving assistance than they would be working for minimum wages. By contrast, single persons receive low enough benefits under social assistance that minimum wages still furnish an incentive to work.

Another dimension of poverty both in Ontario and across Canada is the impact of recent changes in the taxation and income transfer systems. Most changes initiated by the federal government since 1981 have had the overall effect of shifting some of the tax burden from higher-income to lower-income earners.[10] Amendments to the child benefits system in 1985, involving a partial de-indexation of both family allowances

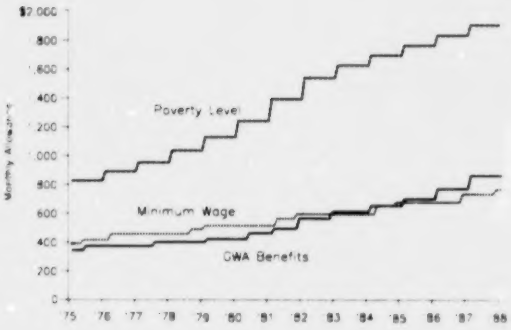
Figure 11. GWA Benefits, Minimum Wage, and the Poverty Level, 1975–1988

Single employable recipient

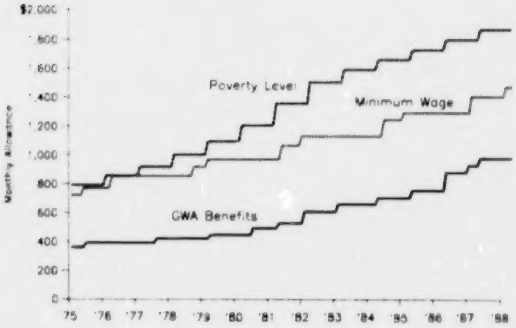
Benefits shown are the maximums for each category.



Single parent with two children



Two-earner couple with two children



Source: Ministry of Community and Social Services.

and the child tax credit, will erode the child benefits received by many low-income families by 1990. The de-indexation of tax brackets also ensures that over time, households at the lowest income levels will gradually be brought within the system and required to pay tax, while many poor families and individuals will pay a larger and larger share of their limited incomes in tax. By contrast, the highest-income tax-filers have benefited or will benefit from greatly expanded RRSP deductions, the lifetime capital gains exemption, and a large reduction in their highest marginal tax rate.

It is difficult to assess the overall impact of finance minister Michael Wilson's recent tax reform proposals, as many elements have yet to be announced. The decision to provide a further substantial reduction in the tax rates of higher-income earners, coupled with an increasing reliance on consumption taxes, will need to be closely monitored to see what tax burden it places on different income groups.

The Dimensions of Homelessness

Hundreds of submissions to this committee drew attention to the unstable and inadequate housing of many social assistance recipients. The lack of stable housing can undermine the best efforts of disadvantaged people in coping with life crises and re-establishing themselves in the mainstream of community life. This makes homelessness a contributor to increases in the numbers of people needing social assistance.

During the last five years, increased public attention has been drawn to the plight of the homeless in Canada. Until recently the popular image of this group was that it consisted largely of older adults, primarily single men, who were socially isolated and in many instances had chronic alcohol problems – the "skid row" or "street person" image. The economic recession, inadequate social benefits, and the serious lack of affordable rental housing have fundamentally altered this profile.

The homeless of 1988 include many families, a disturbingly large number of young people under the age of 25, older women, persons leaving institutions, and young mothers. A stable base from which to engage in life's activities, a place to call home, is critical to a person's self-esteem, motivation, ability to seek work, and ability to care for dependants.

It is extremely difficult to count precisely the numbers of homeless people in Canada or Ontario today. The reasons are self-evident. What method do we use to survey people who have no permanent address and no phone? Beyond this basic dilemma is the question of how large a group to include. By their nature, the homeless are a constantly shifting group of people in crisis. For some, the lack of a place to call home may last only a day or two, for others a week or two, and for still others it may be a chronic and recurring problem, what one report termed "a permanent emergency".[11]

The homeless include more than those who are literally out on the street and seeking refuge in an emergency hostel on a particular night. This narrow definition needs to be augmented by the inclusion of at least three other groups. The first group includes persons in crisis, such as women leaving abusive spouses, who require shelter for a limited period while they re-establish their lives. The second group includes people who are temporarily without shelter for economic reasons such as eviction or loss of a job; as a result, they can no longer afford to stay in their residences. The third group, clearly the largest, would include all those living in housing that is physically inadequate, seriously overcrowded, or so costly that the disposable income left to meet all other basic needs is clearly insufficient. At least 250,000 Ontario households would likely meet one of these four definitions.[12]

Because such a large proportion of household income must be spent on housing, people cut back severely in most other budget categories, including even the most basic needs of food and clothing, to meet shelter costs. A 1985 study by the Public Health Department of the City of Toronto notes that serious housing affordability problems can lead to malnourishment and child neglect, as families reduce or eliminate spending on other basic necessities. In addition, the study warns that crowded and physically inadequate dwellings can pose particular health and social stresses for children, with results including weight loss, a slowing of intellectual development, and retardation of physical or motor skills.[13]

Homelessness offers us the most visible and compelling manifestation of society's failure to meet the needs and aspirations of the poor. In understanding homelessness, the diversity of groups that are affected, and the life crises that can eventually result in this state of deprivation and social isolation, one comes to appreciate more fully the roots of exclusion and marginalization in our society.

In most instances, the homeless – whether a woman leaving an abusive spouse, a person discharged from an institution, or a recently unemployed family head with limited skills – were overwhelmed by major life crises and unable to secure the necessary community supports to regain control of their lives. Most of these people, prior to the trauma that turned their lives upside down, were much like the rest of us. The difficulties and problems that disrupted their lives could happen to any of us. We all face the risks of family breakdown, of losing a job, of chronic illness or disability.

In planning the reform of social assistance, we would do well to heed this caution from the report of the Task Force on Poverty and Welfare, prepared in 1986 for the State of New York:

> It is simply wrong to think that any single proposal could simultaneously solve the problems of undereducated youth, disabled adults, single mothers with children, the homeless mentally ill, recent immigrants, people who are still poor despite working full-time, dislocated workers,... and all the others who from time to time find themselves with insufficient income.[14]

TRANSITIONS

The Roots of Income Security

In many respects, today's social assistance recipients have different needs than those for whom the system was originally developed. This section will trace the history of some of Canada's social programs, examining the values and assumptions that underlay past efforts to assist the poor and noting how the system has adapted to changing realities.[15]

A variety of influences have been at work through the years in producing the income security system we see today in Canada. Periods of major social and economic upheaval, such as World War I, the 1930s depression, and World War II, as well as the separation of powers between federal and provincial governments as set out in the Constitution, have influenced greatly the scope of these programs and the manner of their delivery. Some of the values that form the basis of the modern welfare state have undergone significant changes over time, but others are part of a legacy developed over more than three and a half centuries and carried forward without consideration of whether they remain relevant.

Poor Laws in the Canadian Colonies

The treatment of the poor in English Canada has its roots in the Elizabethan Poor Law of 1601, the first statutory provision recognizing a collective responsibility to assist those unable to support themselves. Financed locally by church parishes or municipalities, this system of relief established the notions of "deserving" and "undeserving" poor that linger to this day.

The "deserving" poor were made up of all those deemed to be unable to support themselves through work: the lame, the old, and the blind. The "undeserving" poor, including both able-bodied adults and their dependants, were provided with work as a condition of relief and a means of subsistence. Houses of correction, poor-houses, and workhouses were also established as a means of administering relief and served to control the poor by keeping them housed by categories.

Alone among the colonies of British North America, Upper Canada never formally adopted the Poor Law system, resulting in the absence of any public responsibility for the poor during this period. By default, responsibility for the indigent remained predominantly private, individualized, and unco-ordinated for many years.

In Britain, the Poor Law Amendment of 1834 was instituted in response to a concern, evident to this day, that public relief might provide too attractive an alternative to work. The amendment introduced the principle of "less eligibility", which declared the able-bodied pauper less deserving of support than even the lowest-paid labourer; on these grounds the pauper's income and living conditions would be kept at a lower level than the labourer's. This became a determining principle in the granting of public relief. The amendment also endorsed the workhouse test, under which unwillingness to enter the workhouse was taken as presumptive evidence that an applicant's claim to need help was fraudulent.

The Poor Law Amendment led to changes in relief practices in Upper Canada in the decades before 1867. A clearer differentiation was made between the deserving and the undeserving poor, with able-bodied individuals denied relief entirely except under very strict conditions. The Toronto House of Industry was established in 1837 to provide work for those seeking relief, and the principle of less eligibility became firmly established.

An economic depression hit Upper Canada in 1858, dislocating large numbers of formerly independent workers and leaving them at the mercy of public and private charity. The existing network of small, unco-ordinated, and mainly private charities was ill equipped to respond. The provincial government took action in the form of the Municipal Institutions Act of 1866, which made it mandatory for all counties with a population greater than 20,000 to build and maintain workhouses or houses of refuge. Although the mandatory aspect of this Act was soon removed, Ontario had a reasonably well developed system of municipal relief in the years immediately following Confederation.[16]

Public and Private Charity: 1867 to 1914

Between Confederation and the outbreak of World War I, four broad themes characterized the evolution of Ontario's social assistance system: the formal division of powers in 1867 and the beginnings of pressure from municipalities for upper tiers of government to become more heavily involved in social welfare; the continuation and extension of provincial grants to charitable institutions; further municipal organization for social assistance; and an intense concern for efficiency in the delivery of assistance.[17]

With its restricted access to the tax base, Ontario was reluctant to involve itself further in the provision of relief and held firm to its belief in voluntary and municipal efforts. Nevertheless, mounting social problems in the late 19th century forced its hand. By the mid-1880s, Ontario had in place an entire network of institutions to deal with various categories of the poor and disadvantaged, including municipal houses of industry, mental hospitals, intermediate prisons for both men and women, and schools for deaf and blind people.

With the passage of the Charitable Aid Act in 1874, grants to voluntary organizations were placed on a more systematic basis. The assurance of substantial public support and recognition, together with the effect of provincial supervision, promoted a broad expansion and significant improvements in the voluntary institutions.[18] An Associated Charities was established in 1881 in Toronto to better co-ordinate the relief activities of private voluntary organizations, and in 1893 the City of Toronto appointed its first Civic Relief Officer.

Throughout the late 19th and early 20th centuries, most relief took the form of in-kind benefits rather than cash assistance. Work was provided, usually in an institutional setting, and subsistence amounts of food, clothing, and other needed goods were made available. But the widespread belief persisted that the poor and the destitute were morally inferior, lazy, quarrelsome, and unable to budget properly.

In the years before 1914, Ontario's reliance on large-scale institutions in meeting the needs of the poor and the vulnerable was waning, and outdoor relief became more common. The workhouse test became a work test, with able-bodied recipients required to saw cordwood or break rock as a condition for receiving help. In Toronto, for example, the House of Industry required each applicant for relief to break up a crate of rocks weighing 650 pounds.[19] But municipalities across Ontario were increasingly drawing attention to the inadequacy of local responsibility for relief. As early as 1900, the Ontario Superintendent of Neglected and Dependent Children argued that a great deal of the neglect that led to wardship might be prevented if necessity did not force mothers to support their children by working outside the home. The idea of supporting mothers to remain at home to devote their full time and attention to their children gained favour during the pre-war years.

Mothers' Allowances, Pensions, and Unemployment Insurance

The Workmen's Compensation Act of 1914 represented a clear move towards government-paid allowances; this allowance was meant to support a home when the family breadwinner was injured or killed on the job. Governments in all three prairie provinces introduced mothers' allowances between 1916 and 1919. Wartime allowances paid to dependants of service personnel as well as the pensions paid to veterans' widows provided further examples of the possibilities for government action.

Ontario soon followed suit, with the introduction of the Mothers' Allowances Act in 1920, the first of a series of developments over the next two decades that would help lay the groundwork for the modern welfare state as we know it today. Others in the series included passage of the first federal old age security legislation in 1927, federal provincial co-operation in providing unemployment relief, and the extension of benefits to blind people and eventually to others with disabilities.

The importance of the Mothers' Allowances Act was twofold. It created the first direct income transfer program in Ontario; for the first time, a defined group among the poor was paid a permanent living allowance. The benefit of $35 a month was never claimed to be adequate to fully support the household, however. In addition, the Act accepted the legitimacy of providing assistance at home rather than in the poor-houses, orphanages, and industrial schools so favoured by the Victorians.[20]

Thus began the pattern of establishing specific programs for sub-groups of the poor, a pattern that is continued in today's system of categories. Mothers' allowances were the first program to reflect a new set of values and assumptions in social assistance: they were felt to be a reward for service rather than a form of relief. Mothers were entitled to support from the community at large for undertaking a responsibility to the state in bringing up its future citizens.

In 1927, the federal government passed enabling legislation so that it could share the cost of a new old age pension plan, which Ontario joined in 1929. The passage of the Old Age Pensions Act of 1927 was a watershed in the evolution of jurisdictional arrangements concerning income support programs in Canada. It brought together the spending power of the federal government and the legislative powers of the provinces in areas of social policy. It provided a framework for co-operation that served as the basis for all subsequent cost-shared arrangements, up to and including the Canada Assistance Plan.

Two events in 1929 helped to shape income support policies as they related to the able-bodied unemployed: the release of the report of the Ontario Royal Commission on Public Welfare, and the stock market crash a month later. The commission condemned Ontario's over-reliance on private charity and local government and called for a much greater financial commitment by the province. Coupled with the stock market crash and subsequent events that plunged the industrialized world into the Great Depression, the commission's recommendations led Ontario to create in 1930 the first provincial department of public welfare in Canada.

By the end of 1930, Ontario was deeply mired in depression. One estimate suggests that more than 17% of the labour force was unemployed; slightly more than a year later, this figure had risen to 24%. The enormity of the crisis forced the federal government to act. It passed the Unemployment Relief Act in 1930 as an emergency piece of legislation expected to last no more than a year, with a preamble stating that unemployment was primarily a provincial and municipal responsibility. The legislation was renewed each year as the depression persisted.

In June 1932, the Ontario government convened the Campbell Committee to examine the administration of direct relief. Its recommendations included making relief available to single able-bodied recipients only if they were willing to work, introducing a degree of uniformity into municipal relief rates, and establishing basic standards. Some of the committee's detailed proposals were considered extreme, but it made a positive contribution to the evolution of social assistance in advocating hostels, special works projects, and, above all, the recognition of the single employable person as a deserving case.

In 1935, the Ontario Unemployment Relief Act became law, enshrining the notion of municipal responsibility for basic welfare, and stating that every municipality "shall provide" relief for unemployed persons and their dependants. It also established more effective provincial administration over municipal relief. That year, relief was consuming 50% of the entire provincial budget, and the situation was no better elsewhere across the country.

Two federal commissions, the National Employment Commission (1936-38) and the Royal Commission on Dominion-Provincial Relations (1937-40), called for a much larger role for Ottawa in developing policy for the unemployed. In 1940, the British North America Act was amended to grant the federal government constitutional jurisdiction in the field of unemployment insurance.

In the generation from 1914 to 1941, the roles of the three levels of government in financing social welfare programs had been fundamentally altered. The federal share of such expenditures rose from 17% to 36%. Provincial spending grew from 29% to 42%, while municipal spending declined dramatically, from 54% to 22%.

Co-operative Federalism: 1945 to 1972

The economic and social dislocations caused by the Great Depression and World War II led to a great deal of rethinking about the appropriate role of the state in income security. Public confidence in laissez-faire economic policies that gave free rein to unfettered market forces had been severely shaken by the stock market crash and the intractability of the ensuing large-scale joblessness that spread across the country.

On the other hand, the ability of federal and provincial governments to harness the skills and resources of business and labour in meeting the challenges of the war effort – largely eliminating unemployment in the process – gave rise to hopes that government leadership could play a constructive role in stabilizing and managing the economy. There were widespread concerns among policy-makers that the end of the war could lead to the return of the economic stagnation of the depression. The economic theories of John Maynard Keynes looked increasingly attractive.

The central proposition of Keynesian economics was that the spending power of the state could be used in conjunction with the regulation of monetary policy in order to stabilize the boom-and-bust cycles that had plagued industrial economies under laissez-faire capitalism. During the war, the economy had been transformed through the use of such central planning approaches as central banking, wage and price regulation, exchange controls, and rationing.

In 1943, the Marsh report was released, with comprehensive and far-reaching proposals for the development of a welfare state in Canada. Modelled on the similarly comprehensive Beveridge report in Great Britain, its recommendations, including universal hospital and medical insurance, a contributory pension plan, expanded eligibility for unemployment insurance, and family allowances, were felt to be too extensive by the federal government. Nonetheless, the Marsh report strongly influenced the development of Canada's income security system for the next 30 years.

In July 1945, Canada's first universal social program was introduced, in the form of family allowances. Available to all families with dependent children, this program was designed to help alleviate poverty among larger families and to stimulate consumer demand as a safeguard against recession. In 1951, the Old Age Security Act established a second universal social program, providing a flat-rate monthly pension to all those 70 years of age or older who had resided in Canada for at least 20 years.

Large-scale reforms to existing social welfare programs floundered in the immediate post-war period, because of federal-provincial disagreements regarding appropriate funding arrangements. Rather than a comprehensive approach to income security planning, what emerged during the 1950s were a series of piecemeal adjustments. Four shared-cost conditional grant programs, providing support to beneficiaries in defined categories, were developed and implemented by the Old Age Assistance Act (1951), the Blind Persons Act (1951), the Disabled Persons Act (1954), and the Unemployment Assistance Act (1956). Taken together, these conditional grant programs entrenched the pattern of categories of eligibility for social assistance that has remained to this day.

The Unemployment Assistance Act of 1956 provided for the first time federal cost-sharing of 50% of the amount spent by a province and its municipalities on financial assistance to needy unemployed persons who were not covered under the various categorical programs, including mothers' allowances (which were expanded during this period to include divorced women and unwed mothers).

Two features of the 1956 Act are particularly noteworthy. First, a needs test was to be used, employing a budget-deficit method, leading to the expectation that benefit levels could be more precisely attuned to individual need. Second, the federal cost-sharing provisions had no expenditure ceiling. In 1958, Ontario introduced the General Welfare Assistance Act to take advantage of this extension in federal-provincial cost-sharing. Despite these federal inducements, the general level of social assistance spending on the able-bodied unemployed did not rise. This failure reflected the residual legacy of "less eligibility" and the desire to keep income support to this group at as low a level as possible.[21]

By the 1960s, increasing dissatisfaction was being expressed with the piecemeal and unco-ordinated approach to the development of social assistance programs. Under the Canada Assistance Plan (CAP) of 1966, all previous categorical programs were merged into one provincially administered program, with eligibility determined on the basis of need. Mothers' allowances and a limited range of provincial social services were also to receive access to federal cost-sharing and to be included in the new program.

The CAP cost-sharing conditions provided the provinces with broad latitude in making decisions about the size of benefits and the eligibility of recipients. Three criteria were imposed by Ottawa as conditions of cost-sharing: benefits had to be determined on the basis of an individual assessment of need; there were to be no provincial residency requirements; and each province had to establish mechanisms for appeal.

In 1967, Ontario introduced the Family Benefits Act to take advantage of the federal cost-sharing possibilities, and also to co-ordinate the provision of assistance to those with long-term financial needs: blind, disabled, and elderly people, and sole-support mothers with dependent children. CAP caused the single largest rewriting of Ontario's social assistance laws in its history, and some recipients saw their allowances raised by more than 50%.

With the introduction of medicare in 1968 and the significant broadening of unemployment insurance coverage through reforms in 1972, the major elements of the Canadian welfare state envisaged by the Marsh report were largely in place. But the Senate Task Force on Poverty released in 1971 a stinging indictment of the failure of income security programs to reduce the level of poverty and deprivation in this country, despite a generation of sustained economic growth and CAP's vaunted goal of eliminating the causes of poverty.

Retrenchment and Restraint: 1975 to 1984

The 1970s began with reforms to unemployment insurance, improvements to old age pensions, and tax reform, including full indexation of marginal tax rates and the introduction of property and sales tax credits in Ontario. The Ontario Housing Corporation was in the last years of an 11-year building program under which more than 85,000 units of low-cost public housing had been purchased or built across the province.

Continuing efforts to expand and improve income security programs through federal-provincial agreements, first with the proposed Victoria Charter (1971) and then with the Working Paper on Social Security (1973), proved unsuccessful. After the failure to agree on income security reform at Victoria, due largely to provincial unwillingness to see Ottawa retain jurisdiction in the areas of unemployment insurance and old age pensions, several rounds of consultation resulted in the working paper and the subsequent proposals generally called the "Orange Paper". These proposals, which constituted the last serious attempt at integrating all the elements of the income security system, contained the following broad thrusts: an income support program, not unlike the existing social assistance programs but with greater incentives to earn additional income; an income supplement program, aimed at working poor families with dependent children, as well as individuals and childless couples over 55; and an expansion in the range of preventive social services that would be eligible for federal cost-sharing.

By 1976, when these proposals were being actively debated, economic conditions had altered completely. The oil embargo of 1973 precipitated an energy crisis. Inflation soared, and both federal and provincial governments began to look at ways of constraining expenditures. In Ontario, a series of government committees and task forces from 1969 to 1975, culminating with the Henderson report, argued in favour of fiscal restraint, often with a particular emphasis on reducing social spending and targeting benefits to those in greatest need. In the emerging climate of fiscal restraint, this last effort at comprehensive income security reform in Canada failed.

Guided by the Henderson report (1975), Ontario embarked on a co-ordinated policy during much of the next decade of curbing increases in social spending and diminishing the government's role as a provider of social services. This period saw only occasional tinkering with the legislation and regulations of existing programs, usually in the direction of increased selectivity or an erosion in the benefits available to particular groups. In Ontario, the monthly benefit levels of all categories of social assistance recipients were substantially lowered between 1975 and 1981. Only since 1986 have these benefits begun to approach their levels of the mid-1970s.

There is general agreement that Ontario's existing programs are in need of a thorough overhaul. The broad sweep of history offers some encouragement about opportunities for change. Over time, senior levels of government have gradually assumed greater responsibility for income security programs. Today in Canada, we have a network of both universal entitlement and contributory pension and insurance programs, which greatly reduce the risk of most households having to rely on means-tested income support programs.

This shift from residualism – a policy of making social assistance a program of last resort – to comprehensiveness has been accompanied by the development of categories of eligibility for social assistance. Today's 22 categories cover virtually all residents of Ontario and establish the legitimacy of need for those ineligible to receive assistance under universal or contributory programs. However, the complex rules that apply to these various categories reflect the historical legacy of a hierarchy of deservedness as well.

Spending on Income Security Programs

Within the larger income security system, social assistance is the principal program explicitly targeted to those in need. It generally acts as the final safeguard against deprivation and exclusion for those unable to secure adequate entitlements from other more senior programs. For example, prior to 1974 the benefits provided by old age security and the guaranteed income supplement were inadequate, so many senior citizens had to rely on social assistance to augment their incomes. Benefit improvements to old age pensions since that time have made recourse to social assistance a rarity among the elderly.

Although other programs have minimum benefits, no other income security program provides an adequate income "floor". Those whose benefits are determined by prior contributions and previous earnings levels have no minimum entitlement levels. Both unemployment insurance and the Canada Pension Plan, for example, pay benefits that are linked to workplace contributions. Other programs, such as workers' compensation, provide earnings replacement to those who are disabled by injury on the job. Since none of these programs aim to provide a social minimum, many of their clients continue to rely on social assistance.

Compounding the difficulties caused by these programs' inadequate levels of support is the contributory nature of the programs. They are of primary benefit to full-time employees who have stable work histories. Those at greatest risk of becoming dependent on social assistance are precisely those least able to secure adequate benefits from such programs: part-time workers earning low wages and those who have sporadic work histories. In addition, these programs offer none of the in-kind benefits such as free OHIP, prescription drugs, and dental services that are available to social assistance recipients. This imbalance can make the option of applying for social assistance more attractive. As a result, unemployment insurance, CPP, and workers' compensation have thousands of clients in common with social assistance. For example, FBA alone has more than 15,000 clients in common with CPP. Further, the fact that there are no pensions for homemakers and others outside the "paycheque economy" means that many groups, and particularly women, are left to survive on social assistance alone.

It is critical to understand that social assistance is a relatively passive actor on the income security scene. Once other programs have defined their entitlements on the basis of their own internal goals and policy objectives, social assistance is left to respond to any gaps or inadequacies by making up the difference between the benefits provided and its own standards of minimum adequacy. Thus any sustained effort to reduce the rate of growth in social assistance caseloads would have to depend, in part, on establishing different adequacy standards and expectations within the other programs from which applicants draw benefits first.

By the same token, attempts to limit access to other programs will have the immediate and predictable effect of further increasing social assistance caseloads. For example, there is little doubt that the tightening of eligibility for unemployment insurance during the late 1970s was a contributing factor in increasing the number of employable people, especially those under age 25, receiving assistance in the 1980s.

To illustrate this phenomenon, we need only look to the most recent proposals for UI reform, developed by the Commission of Inquiry on Unemployment Insurance. In its 1986 report, the Forget Commission summarizes the likely impact of its recommendations on social assistance caseloads as follows:

> It is expected the number of claimants receiving less than $100 per week [on UI] would triple. [With] 10 percent of exhaustees claiming social assistance, the number of social assistance beneficiaries might increase by about 150,000 or 9%. This increase would raise social assistance costs nationally by about $486 million.[22]

The report adds that provincial social assistance expenditures would be likely to rise by 5% a year, on average, over a period of at least five years as a result of phasing in its proposals.

Federal and Provincial Costs

The 1980s have witnessed a substantial growth in the number of social assistance recipients in Ontario, from fewer than 190,000 in 1980 to more than 280,000 by 1987. Not surprisingly, such substantial growth has resulted in increased spending. As Table 9 indicates, between fiscal 1980/81 and 1986/87, total spending on social assistance more than doubled, from $777 million to nearly $1.73 billion. But much of the increase reflects both the growing numbers of recipients and rises in the cost of living; most welfare recipients saw only a modest improvement in their monthly benefits.

Table 9 also shows changes in the costs of administering the programs. Administrative costs for GWA have always been several times higher than those for FBA, because of smaller caseloads and much higher turnover among recipients. Taken together, the costs of administration in 1986/87 were only 7.5% of total program costs, down from 9.1% just 10 years earlier.

Although social assistance as the program of last resort provides the safety net for the entire income security system, it is far from the most expensive program. During fiscal 1986/87, Canada's income security programs were estimated to cost more than $58 billion, of which social assistance consumed $5.4 billion, slightly more than 9%. The two largest-cost program areas, pensions to the elderly and unemployment insurance, combined for just under 55% of income security expenditures.[23] In the context of the national economy, spending on social assistance consumed only 1.2% of Canada's gross domestic product (GDP) in 1986, despite higher caseloads of employable people across Canada in the aftermath of the 1982-84 economic recession. Yet this program provides income support to between 7% and 8% of the country's population at any point.

By contrast, the federal Task Force on Program Review discovered no fewer than 218 distinct programs operating at a combined cost of $16.4 billion in 1984/85, providing

Table 9. Costs of Social Assistance, 1976/77–1986/87

	Payments to Recipients		Administration Cost		Total	
	$	%	$	%	$	%
FBA						
1976/77	345	94.0	22	6.0	367	100
1977/78	385	94.3	23	5.7	408	100
1978/79	395	93.7	27	6.3	422	100
1979/80	405	95.2	21	4.8	426	100
1980/81	459	95.3	23	4.7	482	100
1981/82	531	95.2	27	4.8	558	100
1982/83	614	95.0	32	5.0	646	100
1983/84	715	95.5	33	4.5	748	100
1984/85	814	95.8	35	4.2	849	100
1985/86	897	95.9	38	4.1	935	100
1986/87	985	95.8	43	4.2	1,028	100
GWA						
1976/77	151	84.6	27	15.4	178	100
1977/78	171	84.8	31	15.2	202	100
1978/79	198	85.4	34	14.6	232	100
1979/80	219	86.1	35	13.9	254	100
1980/81	256	86.5	40	13.5	296	100
1981/82	283	86.5	44	13.5	327	100
1982/83	394	87.3	57	12.7	451	100
1983/84	474	87.6	67	12.4	541	100
1984/85	497	87.0	75	13.0	572	100
1985/86	539	87.0	81	13.0	620	100
1986/87	614	87.6	87	12.4	701	100
TOTAL						
1976/77	496	90.9	49	9.1	545	100
1977/78	556	91.1	54	8.9	610	100
1978/79	594	90.8	60	9.2	654	100
1979/80	624	91.8	56	8.2	680	100
1980/81	715	91.9	63	8.1	778	100
1981/82	814	92.0	71	8.0	885	100
1982/83	1,008	91.8	90	8.2	1,098	100
1983/84	1,189	92.2	101	7.8	1,290	100
1984/85	1,312	92.3	110	7.7	1,422	100
1985/86	1,436	92.4	119	7.6	1,555	100
1986/87	1,599	92.5	130	7.5	1,729	100

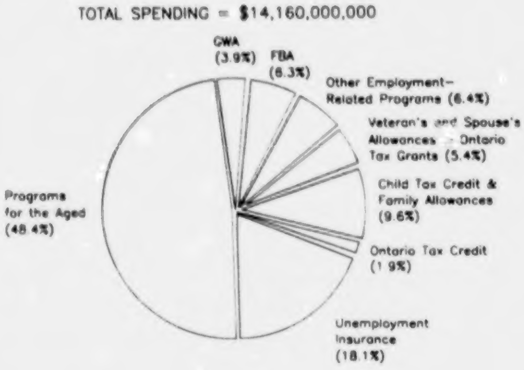
Costs shown include the municipal share of GWA funding. Source: Ministry of Community and Social Services.

various incentives to the private sector. It criticized this vast maze of incentives and giveaways as being overly rich, poorly targeted, and full of duplication and overlaps. These programs, requiring the services of more than 68,000 civil servants, consumed just over 4% of GDP – more than three times the cost of social assistance.

The various income security programs affecting residents of Ontario are summa-

Figure 12. Social Spending in Ontario, 1985/86

Monies spent by the federal government on all social programs, by the Ontario government on social assistance and tax programs, and by municipalities on GWA. Source: Ministry of Community and Social Services.



rized in Figure 12. It reveals that social assistance makes up a similar share of income security spending in Ontario as was the case nationally. In 1985/86, social assistance equalled slightly more than 10% of the nearly $14.2 billion total. Income support to the elderly – GIS, OAS, GAINS-A, and CPP – accounted for more than 48%, while unemployment insurance accounted for about 18%. Family allowances and the child tax credit combined for just under 10%.

Social assistance expenditures in Ontario are responsible for about half the spending of the Ministry of Community and Social Services; they account for only 4% to 5% of Ontario's total budget. They amount to less than one-sixth of the level of spending on health care, and less than a third of educational spending. Social assistance spending consumes less than 1% of the province's GDP. Both in Canada and in Ontario, then, social assistance spending is a relatively small component of the larger income security system.

On the basis of the limited comparative evidence that exists, it seems that Canada has only an average record of spending in this area. Since 1960, Canada has lost ground relative to many advanced industrial economies in the proportion of GDP that it devotes to social spending.[24] According to OECD figures for 1981, displayed in Table 10, Canada's share of GDP going towards social programs was 21.5%, as compared with an average of 24.8% for the seven major countries and 25.6% for the OECD as a whole. Notably, five countries – Belgium, Denmark, West Germany, the Netherlands, and Sweden – were spending more than 31%.

Although higher levels of social spending may not necessarily lead to increased productivity and a rise in GDP, it is also by no means clear how higher levels of social spending affect a country's overall economic performance. The experiences of several

Table 10. Social Spending in OECD Countries, 1981

COUNTRY	Percentage of GDP Allocated to Social Expenditure
Belgium	37.6[a]
Netherlands	36.1
Sweden	33.4
Denmark	33.3[b]
Germany	31.5
France	29.5
Italy	29.1
Ireland	28.4
Austria	27.7
Norway	27.1
Finland	25.9
United Kingdom	23.7
Canada	21.5
United States	20.8
New Zealand	19.6
Australia	18.8
Japan	17.5
Switzerland	14.9[b]
Greece	13.4[a]

[a] 1980

[b] 1979

Source: Organization for Economic Co-operation and Development, *Social Expenditure: 1960 – 1990* (Paris: OECD, 1985).

other advanced industrial economies, including some of the most prosperous as measured by average per-capita incomes, suggest that higher levels of social spending may be entirely compatible with other economic goals.

The level of social spending in Canada has been mentioned in the current public debate over the proposed trade agreement between Canada and the United States. The committee is aware of the tremendous importance of the free trade issue to the future of Ontario and Canada, but we do not believe it is appropriate for us to comment on it. We had neither the time nor the capacity to weigh the arguments being advanced on both sides of the free trade debate.

We would welcome and support any trade agreement that generates new employment opportunities to enable social assistance recipients to become self-sufficient. We would have serious reservations, however, about any agreement that impedes the ability of this province or this country to initiate the kind of policy changes advanced in this report. And we would oppose any arrangement that jeopardizes the design and implementation of social programs consistent with the needs and traditions of Canadians.

Reforming Income Security

The decision to establish the Social Assistance Review Committee to recommend changes in the structure and operation of Ontario's social assistance programs is part of a much larger recognition of the need for income security reform that is evident both within Canada and in other parts of the world.

Attempts at Reform in Canada

Quebec's Castonguay-Nepveu report of 1967, a precipitating factor in the eventual collapse of the federal-provincial income security review during the 1970s, raised many issues and questions that have also been addressed in subsequent income security reforms in this country. The report proposed an integrated, comprehensive social security system at the provincial level and suggested that present areas of concurrent federal-provincial authority – such as family and youth allowances, occupational training, pensions, and unemployment insurance – be reconstituted as exclusive areas of provincial jurisdiction. Castonguay-Nepveu recognized the need to devise policies relating to income support, contributory pensions, child-related benefits, retraining and skills development, and job creation within one system, with various elements reinforcing one another. With the proposals suggested as part of the Meech Lake Accord, an opportunity may be provided to create such an integrated approach at the provincial level for the first time.

The Quebec White Paper on the Personal Tax and Transfer System, released in 1986, built on the legacy of the Castonguay-Nepveu proposals in documenting the complete disharmony that has been allowed to develop between the tax and transfer systems. It noted that the existing system creates a complex trap for most employable welfare recipients that actively discourages them from seeking work, through excessive tax rates on even part-time earnings. The White Paper persuasively argued for reforms in three areas: reducing the effective level of taxation for low-income people; providing financial incentives to low-income people to seek and retain jobs; and requiring social assistance recipients to find employment, while furnishing real incentives and opportunities to do so.

The report of the Manitoba Task Force on Social Assistance, generally referred to as the Ryant report, was released in 1983. This ambitious report took issue with the values underlying much of our past practice in delivering social assistance to the poor. It proposed new principles for the system and called for an end to the historical legacy of punitive measures. The report also stressed the need to link income support programs more explicitly with a broad range of educative, rehabilitative, and developmental services that are essential in overcoming social exclusion. Finally, it argued that mechanisms that undermine the efforts of recipients to become more self-reliant, such as work disincentives, should be reduced or eliminated.

Four federal reports have addressed issues that affect the delivery of income support to recipients of social assistance. Both the Parliamentary Task Force on Federal-Provincial Fiscal Arrangements (reporting in 1981), which was primarily concerned with the financing of the established health care and post-secondary education programs, and the Task Force on Program Review (reporting in 1985), which examined the Canada Assistance Plan, concluded that CAP was essentially a good program and should be retained.

The Task Force on Program Review noted that CAP is a cost-effective program and that spending on allowances and administration on social assistance are reasonable and should not be reduced. On the other hand, the task force was critical of the failure of CAP to make significant advances in eliminating poverty, and of its lack of success in furnishing assistance recipients with an incentive to seek and retain employment. It argued for more flexibility to allow greater experimentation and innovation, particularly in the area of work incentives.

Two reports prepared by federally appointed commissions, the Macdonald Commission (1984) on the Canadian economy and the Forget Commission (1986) on unemployment insurance, have drawn attention to the roles played by different elements within the income security system and have helped to focus public attention on the needs of the working poor. Both reports contain specific proposals for supplementing the incomes of such households.

Reform Efforts Outside Canada

Since 1980, welfare reform proposals have undergone some rethinking in the United States. The early efforts of the Reagan administration, in the form of the Omnibus Budget Reconciliation Act (OBRA) and the Job Training Partnership Act (JTPA), were designed to get marginal, job-ready recipients off the welfare rolls. The net effect of these programs was to create a welfare caseload with a higher proportion of recipients with long-term dependency.[25]

More recent initiatives have recognized that any strategy to significantly reduce costs must focus its energies on ways of assisting long-term recipients to leave social assistance. A program proposal developed in the Senate, Jobs for Employable Dependent Individuals (JEDI), is targeted to those who have been receiving social assistance for at least two years, as well as high school dropouts. A proposal developed by the National Governors' Association is targeted to those mothers receiving welfare who, judging by past experience, are most at risk of becoming long-term recipients.

The provocatively titled report *A New Social Contract: Rethinking the Nature and Purpose of Public Assistance*, released late in 1986 by the governor's Task Force on Poverty and Welfare in New York State, makes a number of important points. Like some recent Canadian reports, it stresses the interconnectedness of welfare reform and broader strategies relating to education, retraining, and the economy. The report emphasizes the diversity of factors that can result in the need for assistance and argues for a new approach that recognizes the mutual responsibilities of individual citizens and society. It recommends a mix of policies necessary to create the conditions in which self-reliance can be achieved.

Income security reviews have also been launched recently in Britain and Australia. In Britain, the 1985 Green Paper on Social Security Reform addressed itself to perceived problems in the current system, including unnecessary complexity, poor targeting of benefits to those who need help most, and problems in the quality of services provided. In making the case for a comprehensive review of its social security system launched in 1985, Australian background reports raised many of the same issues noted in the earlier sections of this chapter.

3

VISION OF THE FUTURE

Long before the review committee's public hearings were concluded, we became aware of the challenge that faced us. The extent and nature of the shortcomings of the present social assistance system as described to us in oral and written submissions were so profound as to suggest that tinkering with the margins of the system would have only limited benefit. Rather, the problems described to us can only be resolved by a major and fundamental restructuring of social assistance.

In coming to this realization, we were forced to peer into the future and to think about the shape and operation of an "ideal" social assistance system. We filtered these ideas through a "reality screen" to give the proposals eventually developed a pragmatic foundation. Finally, we thought a great deal about how to get from here to there, especially about the need to recommend short-term, immediate changes to the existing system that are realistic, constructive, and consistent with the kind of future we envisage.

The exercise has had a tremendous influence on the formulation of the short- and medium-term recommendations that constitute the major portion of this report. But in this chapter we have not attempted to predict the future. Nor have we tried to delineate with any precision the specific features that must constitute a future social assistance and income security system. Rather, this chapter identifies some of the directions we believe would help us in the longer term to develop a more humane and effective approach to helping those in need.

While this description will enable readers to better understand the context in which specific, shorter-term recommendations are presented, it will also serve other purposes. It should engender a more acute understanding of the overall objective and operating principles we advanced in Chapter 1, because it suggests the kind of system towards which full implementation of those principles could lead us. Our view of the future can also serve as a beacon or reference point to guide policy-makers and planners as they begin to implement the specific recommendations that appear in this report. And it can be used as a benchmark against which the results of changes can be measured and evaluated. Finally, and perhaps most important of all, the vision we describe here will underscore the fact that social assistance can be very different than the system as we now know it.

The New Order: A Different Approach to Helping

The information presented in Chapter 1 and Chapter 2 indicates clearly that existing approaches to helping those in need are not serving the best interests of the poor or of society as a whole. Poverty continues and an increasing number of people find themselves homeless or hungry. Many social assistance recipients experience stigma and a loss of self-esteem. They often feel trapped on social assistance, unwillingly, because of financial disincentives that confront them when they attempt to leave the system.

Our view of the future presumes a social support system that is no less important than it is today, but that operates very differently. Rather than serving as a safety net that can ensnare people, a future social support system should function as a springboard. It must buffer a fall while automatically propelling people upward again.

Social assistance, in particular, will bear little resemblance to the system that operates today, once the goals outlined in Chapter 1 are realized. The greatest visible difference may be that far fewer people will be on the social assistance rolls, because their income needs will be met by other programs.

We envisage a radically new system to meet the needs of disabled people that would remove them all from the social assistance caseload. We also see the development of a new children's benefit that will remove all children from social assistance and, ultimately, from the ranks of poverty.

Our proposals include a new program that will supplement the incomes of workers with low incomes. Such a program will decrease disparities between those receiving assistance and those in the labour force. It will also eliminate any incentive for people to quit their jobs and become social assistance recipients.

Finally, our proposals assume complementary changes in a variety of other fields: improved programs in education and health, for example, which could prevent the need for assistance in the first place; significantly expanded housing programs that will provide more affordable housing for lower-income people; and improved procedures for establishing and enforcing child support orders.

In the pages that follow, many of our descriptions should be considered more illustrative than definitive. Even where specific dollar figures or percentages have been used to describe a specific program, they are not cast in stone. We present them primarily to illustrate a particular design that we believe to be desirable and workable. Each program will evolve substantially over time and may eventually be quite different from what we suggest here.

For this reason, we have not developed a specific timetable for the reforms we propose. However, we do not believe that all the elements must wait until some unspecified point in the future to be implemented. On the contrary, some could be initiated almost immediately. In Chapter 11 we will suggest the sequence to be followed in the implementation of our shorter-term recommendations that would logically and incrementally move us towards a better future.

We will first describe some of the changes we envisage in policy fields related to social assistance. Then we will present, in more detail, a new income program: a disability income program, the children's benefit, and income supplementation. Finally, we will outline the shape of the future social assistance system.

FUTURE ECONOMIC AND SOCIAL POLICY

Economic and social policy are becoming more and more interdependent and intertwined. In a recent study for the C.D. Howe Institute, Thomas Courchene, former chair of the Ontario Economic Council, wrote:

> Social policy has to become better integrated with overall economic policy. Indeed, from any broad perspective, social policy is part of a country's overall economic strategy. Moreover, the relationship is a two-way street: initiatives on the economic front must take account of the social policy context.[1]

In future, governments should automatically identify the social impact of any economic policy initiative they consider and, conversely, identify the economic implications of social policy measures.

The directions we have developed for social assistance in the future assume changes in fields outside the jurisdiction of the provincial Ministry of Community and Social Services. The next sections will identify complementary thrusts in employment and the labour market, education and training, taxation, health, and housing.

Employment and the Labour Market

As stated in Chapter 1, a primary objective of the new social assistance system should be to provide the greatest possible opportunity for each recipient to contribute fully to the life of his or her community. One of the most important ways individuals contribute to the collective good is through work. Employment, therefore, is a key element in the transition from dependence upon social assistance to self-reliance and community integration.

In addition to enabling individuals to achieve self-reliance, employment serves other purposes. The committee believes that employment is and will continue to be the best form of income security. Employment can also provide people with self-esteem, a sense of belonging and contributing to the community, and emotional and psychological fulfilment.

As a result, we see as crucial the development of economic and social policies that:

- increase the number and variety of meaningful, safe, and fairly compensated employment opportunities;
- ensure fair and equal access to the full range of employment opportunities; and
- sustain people in employment by better enabling them to fulfil familial responsibilities.

Job Creation

If employment is one of the keys to self-reliance, it follows that our success in helping recipients achieve that end will be determined, in part, by the number of jobs that exist. Clearly, if the rate of unemployment in the future continues to be as high as it has been throughout most of the 1980s, the objective of self-reliance will remain illusory for many recipients.

The committee does not accept the premise that high rates of unemployment are inevitable or intractable. Enough evidence exists to convince us that unemployment can be lowered if its reduction becomes a political and social priority. We believe that the obstacles to job creation are political as much as they are economic.

During our deliberations, we learned of a number of initiatives that may succeed in generating new employment opportunities. These include alternative job creation programs, more flexible work-sharing arrangements, and the development of alternatives to employment. Job creation is so crucial to the overall objective of enabling recipients to become self-sufficient, active participants in the community that implementing new approaches cannot wait until the future. It must begin now. For that reason, we will describe some of these promising approaches in Chapter 6.

Historically, Canada has had one of the best job creation records of the major Western industrialized countries. The committee believes that we should strive to maintain and improve on that record in the future. To do so will entail the exercise of firm political will. It will also require a change in attitude. Job creation must be seen as a joint and shared responsibility of all the major economic participants. Governments – the federal government in particular – have a leadership role to play, but success in job creation will also require the active participation and co-operation of business, labour, the voluntary sector, communities, and individuals.

Equity in Employment

Developing employment opportunities for all who need them is a crucial element of the reforms we espouse, but it will not be sufficient to guarantee the kinds of results we seek. Job creation should be complemented by concrete actions designed to ensure fair and equal access to a full range of job opportunities.

Some groups still experience difficulty entering the labour force. Moreover, as noted by the Royal Commission on Equality in Employment chaired by Judge Rosalie Abella, even after they get employment, many special-needs groups are clustered in low-paying, dead-end occupations or job ghettos.[2] They have difficulty moving to better jobs or training programs that would qualify them for better positions. It is no coincidence that many of these special-needs groups – in particular, disabled people, women, and Native people – are also groups with a greater-than-average dependence on social assistance.

Barriers to and within the labour force are a result, in part, of explicit discrimination. They are also the result of systemic barriers, however, such as the requirement for unnecessary job credentials, an unwillingness to make reasonable job accommodations, or a failure to develop recruitment strategies that would reach out to specific groups. We believe that these barriers can and should be eliminated, but to do so will require concrete action.

A specific strategy that may contribute to more equitable employment opportunities for people with disabilities, for example, is supported employment. Such programs are aimed at those who, without some assistance, might not be able to secure or maintain competitive employment. We envisage a greatly expanded emphasis on supported employment that, eventually, should reduce the number of people considered "unemployable".

The wage gap between men and women continues to be substantial, as indicated by Labour Canada's most recent annual report. Although the number of women in the labour force increased significantly between 1975 and 1985, average women's earnings in 1985 on a national basis were only 59.6% of men's earnings. The average difference in annual earnings amounted to $11,613.[3] The implementation of pay equity legislation should reduce this wage differential.

In addition to pay equity, we support more affirmative action programs to promote employment equity. Such measures are needed to guarantee equal access, free of arbitrary obstructions unrelated to ability, so that members of disadvantaged groups are recruited, trained, and promoted in the labour force. As Abella has stated, "It is both intolerable and insensitive if we simply wait and hope that the barriers will disappear with time. Equality in employment will not happen unless we make it happen."[4]

Finally, we believe that human rights legislation to protect against systemic discrimination is required. Vulnerable groups and individuals should not be dependent solely upon individual complaint procedures to obtain remedies for situations in which, singly or in groups, they are victims of discrimination.

Supporting the Family

The world of work has not kept pace with the tremendous changes in the composition and nature of families, particularly the changing participation of family members in the labour force. The most obvious and profound change has been in the role of women.

Participation of women in the labour force has increased steadily since the time of the first census in 1891, when 12.5% of paid workers were women.[5] By 1985, women constituted 42.6% of the labour force.[6] The increase in women's participation is likely to continue for the foreseeable future. For example, it is estimated that women will account for 65% of all labour force growth throughout the 1980s.[7] Furthermore, it is expected that by the year 2000 there will be equal numbers of men and women in the labour force.[8]

A number of factors explain this phenomenon, including escalating divorce rates, increasing numbers of single-parent families, smaller family sizes, and the increasing economic need for two-earner families. Whatever the reason, the result has been increased pressure and stress on family life. Two-parent families have had to adapt to changes in the child-rearing responsibilities of men and women. Single parents must try to juggle the demands of child-rearing with the need to work to support their families. Clearly, adaptations in the work environment are necessary to enable employees to accommodate their family responsibilities.

A lack of family-focused workplaces has a variety of implications. It can result in reduced performance by employees; psychological and emotional pressures may manifest themselves in alcohol or drug abuse, child abuse, or a withdrawal of responsibility towards a spouse.[9] It can also result in sole-support parents, in particular, having to continue receiving social assistance because they are unable to both work and fulfil their family responsibilities.

Until efforts are made to alter the work environment, pressure on families will continue – and perhaps increase, because of other demographic trends. The aging of the population, for example, is an acknowledged and understood trend. It will significantly increase the cost of caring for the elderly, and it is likely that there will be increased expectations for families to care for their aged relatives.

The committee believes strongly in the need to support families. That is one of the principles upon which we believe social reform should be based. Our view of the future suggests a number of changes to enable workers to better meet both their family obligations and their responsibilities to employers. Some of these possible changes are described below.

We see more provisions for unpaid leave to allow employees to care for family members in the event of illness or interruption in normal care arrangements. An alternative might be simply to ensure provisions for more unpaid leave for unspecified reasons.[10]

Many people work part-time in order to accommodate family responsibilities. Others, including some disabled people, are not able to work full-time but can manage part-time positions. Some work part-time only because they are unable to find full-time work. More workers, and women in particular, may find themselves in this position in the future. Not only are most part-time workers women (71% as of 1983), but an increasing proportion of newly created jobs are part-time. This trend is likely to continue as we shift to an information-based service economy.[11] Whether or not they prefer part-time work, many part-timers are penalized because they are ineligible for benefits. We believe it is important to provide part-time workers with either benefits or their cash equivalent.

More flexible work schedules are both possible and desirable. Single parents may need flexibility to accommodate child care arrangements. Families with both parents in the labour force would benefit from being able to co-ordinate shift or working hours to maximize common family time.

Obviously, one of the greatest supports for families, not only in the future but today, is access to affordable, flexible, and high-quality child care. A more detailed discussion of child care – an essential public service – is presented in Chapter 6. The provision of similar arrangements for care of the elderly will also become necessary if families are to maintain their stability and self-reliance, and to fulfil their obligations to employers.

A number of organizations, both public and private, have implemented employee assistance programs in recent years. This is a trend that should continue. Counselling and emergency assistance will complement improvements in workplace flexibility. These approaches will serve not only to meet family needs but also to minimize the need to leave the labour force in order to deal with family or personal difficulties.

Education and Skills Training and Retraining

Employment continues to be one of the primary ways in which individuals contribute to the community, develop a sense of self-esteem and self-worth, and achieve self-reliance. Education and training are key stepping-stones into the labour force. The employment initiatives we have discussed must be complemented by new directions in education and training programs.

Education

A variety of changes in the formal education system could prove beneficial.

There are lessons to be learned from the experience in the United States with Head Start programs. Head Start provided early enriched learning for children from disadvantaged backgrounds and resulted in long-term benefits.[12] All children are likely to benefit from early enriched learning programs, however, so that there may be merit in lowering the age at which public education begins. If this were to happen, the roles and responsibilities of child care providers and teachers would need to be examined in order to ensure a smooth transition between the child care system and that of formal education.

Changes at the entry level of the formal public education system must be accompanied by changes as students leave the system. In our view, the transition from school to work has traditionally been much too abrupt. It has been particularly disadvantageous for those students who are not academically inclined. We believe that the public school system must substantially improve its efforts to co-operate with employers, unions, and community groups to smooth the transition between the education system and the labour force. This effort should be concentrated on those for whom college or university is neither desirable nor appropriate. Much more flexibility is required to enable students to mix their academic studies with on-the-job experience. A significant expansion of co-operative education would meet that objective.

Easing the movement of young people from school to work is not the exclusive responsibility of school boards, however. The government should seriously consider the feasibility of providing guaranteed employment to young people when they first enter the labour force, as is done in Sweden and other countries.[13] Alternatively, a program of voluntary community service work could be offered to young people who may not be ready to enter the competitive labour force. We believe that initiatives like these will increase the prospects of employability for those young people who run the highest risk of becoming unemployed.

As the world around us changes at a dizzying pace, education increasingly becomes a lifelong need that is not limited to children and young people. We foresee a world in which the provision of adult basic education programs is compulsory for school boards and the elimination of adult illiteracy is a major priority.

Skills Training and Retraining

As education comes to be seen as a lifelong activity, so too will skills training, upgrading, and retraining.

Rapid economic change results from the development of technology, the decline of some economic sectors and the emergence of new ones, and the need to compete internationally. Such change will entail a continuing shift in the skills needed to compete in the labour force. And it will necessitate ongoing efforts to help employees adapt and develop new skills. The existence of a system of social supports will make it easier for workers to adapt to economic change – but that, in itself, will not be sufficient. The mechanisms developed must not only encourage but provide concrete incentives for workers to upgrade or retrain.

A training tax credit, which would enable workers who take training courses to receive tax relief, was proposed in Courchene's recent report for the C.D. Howe Institute.[14] A variation of this might involve establishing an RRSP-like plan for training. Individuals would be able to contribute to their own training savings plan with some tax benefit. Even if paid leave were not available, employees could take unpaid leave for training and finance it with their training savings funds.

A more ambitious approach would entail the development of a universal program that would provide all Canadians with opportunities for retraining at least once or twice in their lifetimes. Not only would such a program ensure a modern and up-to-date labour force, it would also reduce unemployment; new workers would be added to the work force temporarily to replace those in training programs.[15] Ideally, such programs should be part of a national strategy and policy in support of paid educational leave. The benefits and advantages of such a policy were well documented in a recent report to the federal Minister of Employment and Immigration.[16]

As the provision of training programs expands, it will be essential to build in an evaluation mechanism. Recent reports suggest that current training programs do not always succeed or accomplish what we expect. The most recent report of the federal Auditor General underscores some of the failures of Canada's institutional training programs, for example. It discovered that 44% of trainees were not working 90 days after completion of their course, and of those employed, only half were working in areas directly related to their training. A previous evaluation had shown no significant increase in earnings for trainees, as compared with a control group of non-trainees.[17]

Evaluating the success of training programs will ensure that society receives value for its money. Particularly successful training programs may then be targeted towards certain groups with a higher-than-average risk of being unemployed or reliant on social assistance.

One criticism of current training programs is that they are poorly co-ordinated. This results, in part, from the split in responsibility for training between the two senior levels of government and across a variety of ministries. At the provincial level, we believe that responsibility for training should be vested in a single ministry. That may increase the chances of improving collaboration and co-operation with the federal government, which is necessary if training, upgrading, and retraining programs are to meet the needs of employees, employers, and the economy.

Finally, to ensure the success of training programs, it will be necessary to provide a variety of social supports to trainees. Having access to a skills-upgrading program will prove futile for unemployed single parents if child care is not affordable or available. Additional assistance may be required to defray costs for transportation, special tools, equipment, or clothing, or adaptations to the work or training site for disabled people. The existence or availability of training programs will not, in and of itself, guarantee success.

Taxation

The Tax and Transfer Systems and the Poverty Trap

The systems that tax people – whether federal or provincial, whether on their income or their consumption – have an impact upon and are in turn affected by the systems that transfer money to people: that is, income security programs. The relationship between the tax and transfer systems has been identified in several recent reports, including the Courchene study already mentioned and the report of the Royal Commission on the Economic Union and Development Prospects for Canada (the Macdonald Commission).

Of particular concern is the extent to which the two systems, working independently of each other, can work at cross purposes. This lack of integration has a particularly harmful effect on the working poor. Whatever low-income working families gain from programs like the federal refundable child tax credit is often offset by the actual rate of tax they pay.

This anomaly has significant implications for social assistance because of the extent to which the tax system penalizes those who leave social assistance to take low-paying jobs. This phenomenon was well documented in a 1984 White Paper released by the Quebec Ministère des Finances.[18]

The Quebec study determined that the head of a two-parent, two-child family who left social assistance for a minimum-wage job would have an implicit marginal tax rate of 80%. In some instances, recipients could encounter implicit marginal tax rates of 100% or even higher. In other words, for every dollar they earned from employment, these people would lose the equivalent of a dollar or even more, compared with the amount of social assistance they would have received. This represents a tremendous disincentive to leave social assistance to take a job, and it reinforces the poverty trap.

Nor is this problem limited to Quebec: it affects social assistance recipients in Ontario and elsewhere in equal measure, as was documented in a background study prepared for the Macdonald Commission.[19] The study found that many low-income single-parent families in Toronto with incomes of $16,000 or less in 1983 faced marginal tax rates that varied between 75% and 100%. Tax rates were considerably lower for single-parent families with higher incomes.

The report's conclusion was concise and critical:

> The analysis does demonstrate clearly. . .that marginal income tax rates are invariably higher for

> lower income earners than for those in higher income brackets. These confiscatory rates create a veritable "poverty wall" that encourages low income households to remain dependent on social assistance programs. For many, it is simply not worth it to work. Inactivity or reduced participation in the official market appears as an economically rational choice. This choice can turn out to be morally costly. The individual loses the feeling that he can fend for himself or that he controls his future. This is the poverty trap.[20]

Unfortunately, the interrelationship between the tax and transfer systems, and the potential harm it can do to the poor, is still not well understood, as was evidenced by the April 1988 Ontario budget. This budget did contain some measures of direct benefit to social assistance recipients. For example, an additional $20 million was provided to help recipients cover utility costs. An estimated 23,000 recipients were expected to benefit from this measure by an average of $50 per month.

Social assistance recipients were also affected by some of the tax measures announced in the budget, however, most notably the increase in the sales tax from 7% to 8%. And although there were nominal increases in Ontario tax credits, changes in the financial tests used to determine eligibility actually reduced the value of the tax credits for some recipients. When the increase in benefits and the tax changes were considered together, we estimated that 60,000 social assistance recipients would be worse off financially as a result of the budget than they would otherwise have been. The losses, as high as $108 per year, were expected to affect primarily single parents and people with disabilities.

Clearly, the most perverse results of the lack of harmonization between the tax and transfer systems must be eliminated. While it may not be possible to integrate the two systems as fully or as smoothly as some would like, we are convinced that a much greater degree of integration is attainable.[21]

We envisage a system in which no change to transfer programs would be considered without assessing the implications for the tax system, and vice versa. This would become an automatic feature of policy development within both the taxation and the income security fields. In particular, there is a need to consider how changes in programs operated by one level of government affect programs under the jurisdiction of a different government. Integration and harmonization must therefore occur simultaneously on two different planes: between the tax and transfer systems, and between different levels of government.

Tax Reform

Integration of the tax and transfer systems is particularly relevant today given the measures and proposals for tax reform that were contained in a White Paper released by the federal government in June 1987.[22]

The proposals for reform are varied and complex. Some, like the conversion of several deductions to tax credits, may be beneficial to lower-income people and may serve to better integrate the tax system with transfer programs. Not all tax credits will benefit all low-income Canadians, however. The conversion of the exemption for dependent children to a tax credit will not be beneficial to those without a taxable income, because the credit is non-refundable – that is, the credit can be claimed only by those who have an income high enough to be paying taxes in the first place.

Other aspects of the tax reform measures concern us, especially the increasing emphasis being placed on consumption taxes. The first phase of tax reform did not contain specific proposals, but it did identify options for a new consumption tax regime that might entail a business transfer tax, a value-added tax, or a national sales tax. Consumption taxes are inherently regressive. A person with a $10,000 annual income who buys a taxable good will pay the same amount of tax on it as someone with a $100,000 income. We believe that any move to increase consumption taxes must include a greatly enhanced refundable sales tax credit that will offset the impact of increased taxes on low-income people.

We have another, more fundamental, concern about the premises upon which tax reform seems to be based. This concern will not be resolved even if the measures include a sizeable sales tax credit.

The increased emphasis on consumption taxes presumes a decrease in the importance of income tax as a source of government revenue. Historically, the income tax system has enshrined the principle of progressivity: that is, the proportion of tax paid increases as income rises. This practice ensures some measure of equity between rich and poor, in that the wealthy bear a financial burden comparable to that borne by the poor because they cede a larger proportion of their income in taxes.

The principle of a progressive tax system is hardly new or radical. In fact, the wisdom of progressivity was recognized and supported by the father of laissez-faire capitalism, Adam Smith. He recognized, as have many others, that the principle of progressivity has an important moral basis. It represents values of equal sacrifice, social solidarity, shared responsibility, and interdependence. It is a tangible manifestation of the moral obligation of the affluent to share society's riches with the less well off.

We are concerned that in the rush to embrace some of the positive aspects of tax reform, a profoundly important principle with its attendant underlying values may, unwittingly, be abandoned. As changes to the tax system evolve over time, we envisage a tax regime that continues to be premised on the principle of progressivity; we also believe that the tax and transfer systems should be harmonized to the greatest extent possible. In particular, we aspire to a logical system that does not take back from the poor with one hand what it provides with the other.

Health

As the Social Assistance Review Committee was in the midst of its deliberations, the government received reports from two other committees about future directions and goals for health policy in Ontario.[23] The Health Review Panel, chaired by Dr. John Evans, submitted its report to the Premier in June 1987; the Panel on Health Goals for Ontario, chaired by Dr. Robert Spasoff, submitted its report to the Minister of Health in August 1987.

Both reports present numerous suggestions and ideas about future health policy directions with which we agree. Given the quality and scope of these and previous reports, there is little we can add. We wish simply to underscore several points made in the Evans and Spasoff reports and to identify other possible issues to be considered in assessing future directions for health policy.

The link between poverty and ill health has been well established. A background paper we commissioned thoroughly documents this relationship.[24] Low-income people have higher rates of premature death, die younger, have more illnesses, and are ill more frequently. They live, work, and play in more hazardous environments, and they have fewer years of life that are disability-free. The impact of poverty on children – a subject to which we will return later in this chapter – is particularly alarming.

The disparity between the health of the poor and the health of the population as a whole should come as no surprise. Both the Evans report[25] and the Spasoff report[26] confirm this fact. Poverty is not so much the cause of ill health as its catalyst. Poverty may result in an inadequate diet, which lowers resistance to illness, for example. Poverty can mean inadequate housing, which may make people more susceptible to disease. Poverty can damage self-esteem, which increases stress, and stress can lead to illness.

Using this broad definition of the factors that affect health, we believe that many of the ideas and recommendations we advance in this report should be seen as health recommendations. Implementation of our proposals with respect to the adequacy of social assistance benefits, new income security programs, housing, employment, and other opportunities for self-reliance will also improve the health of the poor. In addition, there are more health-specific approaches that will further improve the health of low-income people.

The committee suggests that two principles, in particular, should guide the evolution of Ontario health policy: equity and empowerment.

The principle of equity implies equality of access to health care services and opportunities as well as the reduction of health risks facing those with little or no income. Application of this principle would entail the provision of health-related services to the poor as a part of the range of health programs offered to all the public by the ministry with the jurisdictional responsibility. Subsidized drug or dental care programs – now provided through the Ministry of Community and Social Services – should be delivered by the Ministry of Health, for instance, whether the users are social assistance recipients or the working poor.

While we fully support an emphasis on health promotion and the prevention of disease, the principle of equity may require affirmative action strategies so that the poor receive equal benefit from such an approach. As the Spasoff report suggested, there is a "need for affirmative action to enable the disadvantaged to reach their potential: an equal share of health promoting resources is often not enough".[27]

The second principle we espouse is that of empowerment: to the greatest extent possible, all people, poor or otherwise, must take personal responsibility for their own health. To do that, people must be able to exert control and influence over those conditions and situations that stand to affect their health.

Empowerment starts with information about the existence and availability of health services. It should include information about methods of preventing illness and promoting good health, such as courses in pre-natal care, fitness, stress management, and smoking cessation. The information should be conveyed in such a way that it will be received and understood, perhaps through electronic rather than print media. It will certainly mean providing information in different languages.

The inclination to take more responsibility for one's own health will be fostered by increasing support for community-based health care. The benefits of community health centres have already been recognized,[28] and we believe that they can be especially advantageous for low-income people. Community-based approaches allow for input from local residents so that health priorities are better adapted to specific community needs.

The kinds of health strategies identified here, as well as many of those contained in the Spasoff and Evans reports, will improve the future health of Ontario's poor. Other, more immediate strategies will be touched upon in Chapter 10.

Housing

Of all the policy fields related to social assistance, none has a greater or more direct impact than housing. This reality became patently clear to the committee during the public hearings. Housing-related discussions and recommendations therefore appear in several sections of this report. In Chapter 4, we advance specific recommendations intended to resolve the problem of affordability of housing. In Chapter 10, we propose ways to increase the supply of housing and to ensure the provision of appropriate support services to address the unique housing needs of specific groups.

VISION OF THE FUTURE

We envisage increased access to housing assistance for low-income people. Social assistance shelter benefits will compensate recipients for actual shelter costs incurred, provided that they are reasonable. Expanded and new programs will increase the availability of housing assistance for the working poor. Access to housing will also be improved by reducing discrimination, which will require the enforcement of existing human rights legislation that prohibits discrimination against social assistance recipients with respect to accommodation.

Measures to enable more low-income people to afford adequate and appropriate shelter must be complemented by initiatives to increase the supply of housing. More intense and efficient use of existing housing and land would increase supply, as would a better use of publicly owned land. Improvements would also result if federal-provincial agreements governing the housing allocation process were revised to facilitate the development of small housing projects that would be better integrated into the community.

An increased sense of community responsibility for housing should be encouraged. Increased education will be needed to improve public understanding and attitudes towards social housing. Ultimately, greater community acceptance will make it easier for municipalities to revise restrictive and exclusionary zoning by-laws, which would increase supply. The problem of restrictive zoning by-laws is so acute, however, that action must be taken even in the absence of public support.

We envisage an increased and ongoing effort to conserve and rejuvenate existing housing stock. This is essentially a preventive measure to ensure that future housing supply problems are not exacerbated by failure to maintain the existing supply.

Housing that is provided must be a home, not just a shelter. This could be encouraged by increasing the involvement and participation of residents in the management and operation of Ontario Housing Corporation (OHC) developments, for example. The implementation of a single piece of legislation that would regulate all specialized supportive housing could also serve that purpose.

The committee also envisages major improvements in the provision of support services that will enable people with special needs to live in the community as fully as possible. We particularly encourage the development of portable services for independent living that do not tie services to a particular physical structure. This will ensure that those in need of support services will be integrated as fully as possible into the community while still having their needs met.

Changes of the kind we have highlighted here will reduce the use of emergency shelters by those whose housing needs are primarily long term. Emergency services (including shelters, day programs, and crisis services) will still be required and must be available.

TRANSITIONS

A RESTRUCTURED INCOME SECURITY SYSTEM

The needs of social assistance recipients are varied and diverse. Meeting those needs is not the exclusive responsibility of the provincial Ministry of Community and Social Services. Rather, it is a shared and joint responsibility of all levels of government, business, labour, religious groups, and voluntary organizations, as well as recipients themselves and their friends and family members.

Some of those needs have already been identified in this chapter. Suggestions were made about a variety of changes to broad economic and social policy directions that the committee believes would have positive results. Such directions are not simply consistent and compatible with the specific recommendations we will later be proposing to the social assistance system: in some cases, they are almost prerequisites.

Clearly, income is one of the most important needs of social assistance recipients. We believe that the way in which income is provided for those presently receiving social assistance requires a fundamental overhaul. It would result in an income security system, including the social assistance component, that is totally different than what now exists.

Guaranteed Annual Income

As the committee discussed the future of social assistance, in particular, and income security, in general, we considered the concept of a guaranteed annual income (GAI).

For the past 15 or 20 years, the GAI has been discussed whenever the prospect of income security reform has been contemplated in Canada. It was one of the primary recommendations of the 1971 report of a Senate Task Force on Poverty, now known as the Croll report. A modest guaranteed annual income program was even implemented on a pilot basis in parts of Manitoba in the early 1970s. The project was called "Mincome".

A form of guaranteed annual income was seriously considered by a federal-provincial task force that undertook a massive review of Canada's income security system in the mid-1970s. More recently, the Macdonald Commission proposed major changes to the income security system that some people, though not the commissioners themselves, referred to as a guaranteed annual income.[29]

Although it has been the subject of much interest recently, the guaranteed annual income is in fact an old idea. Its origins can be traced to the late 18th century in England. What became known as the Speenhamland system operated in parts of England between 1795 and 1834.[30] In addition to their wages, labourers received a subsidy, the amount of which was determined using a sliding scale related to family size and the cost of bread. In effect, Speenhamland marked the first effort to put into practice the concept of a GAI.

Over the years several organizations concerned about poverty have called for a GAI. A number of submissions to the committee repeated that call. Some talked of GAI as if it were a panacea for social problems. When presenters were asked for specific suggestions about the design and features of a GAI, however, their responses were general and vague.

This lack of precision and common definition for a guaranteed annual income troubled the committee. It is clear that different people mean different things when they talk about GAI. It is equally clear that people have different and sometimes contradictory notions about the way in which a GAI would actually be put into practice. This may explain, in part, why groups as diverse as the United Church of Canada and the Fraser Institute, a conservative economic think-tank, have both advocated a GAI.

The lack of common definition stems from the fact that the term "guaranteed annual income" refers more to a concept than to a construct. It does not describe a structured income security program with a detailed and specific set of rules and regulations governing benefit levels or eligibility requirements. A GAI could function in many different ways and could even be designed in such a way that it would worsen the lot of poor Canadians.

Although there is no universally shared definition, certain elements of a GAI are commonly mentioned by income security experts. As we understand it, what experts call a full-blown or "pure" GAI is a program with the following features:

- It would provide a universal guarantee of a minimum level of income to every man, woman, and child.
- It would presume that most people would and could receive most of their income through employment.
- It would probably be a national program, delivered by the federal government through the tax system by means of a negative income tax.
- It would rationalize virtually all existing income security programs, including provincial social assistance.
- It would apply an income test to the benefit, so that only those below a certain income level would derive a net benefit.

Many people support a GAI because of the specific advantages this approach appears to offer. For example, a GAI promises to establish a minimum income floor below which individuals would not fall, except of their own volition. It also possesses the potential to minimize the stigma currently felt by social assistance recipients and to increase efficiency by rationalizing a number of existing income security programs. Finally, a GAI is believed to be the best vehicle to provide assistance to the working poor, who now fall through the cracks of our income security system.

We firmly believe that these results, often ascribed to a GAI, should constitute objectives for income security reform. They have guided our deliberations and we believe our proposals would accomplish these objectives. Nevertheless, although our recommendations will seek the same ends as a GAI and may be seen by some as similar to or a version of a GAI, we are not proposing a guaranteed annual income. We have some concerns about a pure, full-blown GAI having the features we described previously.

Our major reservation about a pure GAI echoes one we heard a number of times during the public hearings: we share the disquiet of those who worry that the implementation of a GAI would deflect attention from efforts to generate jobs. We believe that providing people with employment opportunities is one of the best ways to ensure income security and to facilitate full participation in community life. The provision of employment is so central to achieving our overall objective of community integration that we would be extremely wary of any program that might diminish the importance of job creation.

We are also concerned that a pure GAI is passive rather than active. It contains no measures that would encourage and facilitate the efforts of beneficiaries to identify and take advantage of opportunities to become self-reliant. A program that may provide adequate financial assistance but that does nothing to facilitate integration into community life is not necessarily an improvement over the status quo. It could isolate and institutionalize an underclass of marginal people while at the same time providing the public with a sense that society is "helping" the disadvantaged.

Another major difficulty with a pure GAI is its inability to distinguish between beneficiaries and meet their individual needs. For example, it does not differentiate between non-disabled and disabled persons, who may have unique dietary or transportation needs. Nor can it differentiate between a sole-support parent who has access to subsidized child care and one who does not. For all its flaws, the current social assistance system is flexible enough to meet specific needs. A complete rationalization of social assistance into a GAI would do a disservice to all those with specialized income needs.

In addition to social assistance, there are other programs that should not be abolished and rationalized as part of a GAI because they serve important policy objectives other than the elimination of poverty. For example, the Macdonald Commission advocated the reallocation of money from federal housing programs to finance a form of GAI called a universal income security program (UISP). Federal housing programs are intended to address problems of supply as well as affordability. Using that money for a GAI would do nothing to resolve housing supply problems; indeed, it would probably exacerbate them.

Most proposals for a pure GAI call for the rationalization of a number of existing social programs in order to provide an adequate benefit. We believe that the abolition of many such programs may be neither realistic nor, perhaps, politically feasible. More important, we believe that it could prove counter-productive, with negative consequences for many potential recipients of GAI.

As a result of these concerns, the committee does not advocate the implementation of a pure GAI. Many people, however, will see similarities between our recommendations and a GAI, and we believe that the objectives ascribed to a GAI are valid and legitimate. We simply believe there are other and, perhaps, better ways to achieve those objectives.

The rest of this chapter will describe the kinds of changes we envisage to income security programs. They are radical. They are ambitious. And they could take years to implement in their entirety. We are convinced that changes of this nature are not only feasible and defensible but highly desirable.

The future income security system we envisage has four discrete components. These would not completely replace all existing income security programs but would rationalize many of them.

The first element of our new income security system is a disability income program. Second, we propose a new children's benefit. The third feature, income supplementation, will be summarized here but described in much greater detail in Chapter 6. Other chapters will present a range of short- and medium-term recommendations that will shape the fourth component: the social assistance system itself.

A Disability Income Program

As statistics presented in Chapter 2 clearly indicate, a substantial proportion of social assistance recipients are disabled. Almost 90,000 people – or approximately 30% of the combined GWA and FBA caseload – are categorized as having some form of disability or impairment. Although that number is a significant proportion of the social assistance population, it is small relative to the total number of people in Ontario who are considered to have a disability. The most recent estimate of disabled people in Ontario is 1,051,000.[31]

Clearly a large number of those who are disabled can and do derive their income from employment. Those who are unable to work may receive income from a variety of sources, including workers' compensation, Canada Pension Plan (CPP), private pension plans, and accident insurance settlements. Only a portion of disabled people who cannot work must turn to the social assistance system for income support.

The diversity of income sources for disabled persons has resulted in some significant problems. Not the least of these is the disparity in the level of benefits provided, depending on an individual's entitlement under various programs. In addition to discrepancies in benefits, there are substantial inconsistencies in the nature and quality of support services provided. This fragmented system has been likened to a lottery. The level of support, financial and otherwise, for disabled persons has little to do with the severity or extent of their disabilities. It has more to do with when, how, and where the disabilities occurred. Consequently, the current income programs available for disabled people result in tremendous inequities.

In general, those disabled people who have no other sources of income and who must turn to social assistance fare worst of all. Benefits are low, and disparities abound even within social assistance. The monthly basic-needs amount provided to a single person on GWA classified as being in "temporary" ill health was $316 as of January 1988. The equivalent amount for a single recipient of GAINS-D (Guaranteed Annual Income System for the Disabled), which is delivered through FBA, was $534.

One of the worst aspects of receiving social assistance is the stigma associated with the term "welfare". The stigma is felt equally by all recipients, disabled or not. The often severe difficulties and physical barriers that confront people with disabilities are compounded for social assistance recipients by the indignity of being treated as second-class citizens.

The status of social assistance recipients with disabilities has led many to advocate that their income needs be met by some other program. Many suggest a comprehensive disability insurance system that would rationalize most existing income programs aimed at disabled people. The committee is convinced of the merits of a comprehensive disability insurance system. We will briefly outline below the elements of such a program as we envisage it.

The committee also agrees that disabled people should be removed entirely from the social assistance system. While a disability insurance system would accomplish that purpose for some, however, it would not remove all disabled people from the social assistance rolls. In fact, we estimate that if a disability insurance system that adhered to insurance principles existed today, fewer than 25% of disabled social assistance recipients would benefit. An insurance-based system presumes previous work experience, but many disabled recipients have never been in the labour force. Disability insurance benefits would be of little use to this group because they would never have been in a position to pay premiums to the plan in order to draw benefits.

As a result, we believe that the development of a comprehensive disability insurance system should be complemented by another new program. This additional program would provide an income-tested benefit for those disabled people who are not eligible for full disability insurance benefits and who have no other adequate source of income. This income-tested benefit would be delivered outside the social assistance system and be separate and distinct from disability insurance, although the two benefits would be co-ordinated and harmonized. Each of these two benefits will be described in greater detail below. The intended result is that no disabled person would require social assistance to meet income needs.

Comprehensive Disability Insurance

The disparities and inequities of existing income programs for disabled people have been thoroughly and well documented elsewhere.[32] Some of the major shortcomings that force some people to turn to social assistance are outlined below.

When total disability results from an injury that occurred on the job, workers' compensation is relatively generous. Earnings replacement amounts to 90% of net income (to a monthly maximum of $1,892 for a worker with one dependant as of January 1988). Not everyone injured on the job will receive benefits from this program, however. Benefits are not provided when the Workers' Compensation Board (WCB) decides that the injury did not result from employment. With many disabling conditions, it is not possible to determine cause. Cases involving back injuries, chronic pain, and diseases that may be occupationally related are particular sources of controversy.[33]

In addition to workers' compensation, many disabled people may qualify for CPP benefits. This program is intended to insure only a portion of earnings, however, with the balance of coverage to be provided by private employer plans. As of January 1988, therefore, the maximum CPP benefit ($661 a month) was lower than the maximum ($693 a month) paid to a single recipient of GAINS-D. The average CPP disability benefit in Ontario was $497 a month in December 1987.

CPP imposes other limitations as well. For example, the contributory period for coverage is relatively restrictive: contributions must have been made in two of the last three years or five of the last ten years.[34]

For people disabled by accidents, compensation may be provided by way of the legal system. In fact, however, compensation is paid only to between one-third and one-half of all accident victims.[35] In addition, some estimates suggest that anywhere from one-third to one-half of the total system costs are absorbed by administration, insurance companies, and lawyers.[36] Those who do receive compensation can experience delays of one year or longer,[37] and those in greatest need often settle more quickly for lower settlements because they cannot afford lengthy litigation.[38]

Another possible source of income for disabled people is private disability insurance plans. The provision of such coverage is not compulsory, however, and recent estimates indicate that only 43% of the Canadian labour force is covered for disability off the job.[39] Most people perceive the likelihood of incurring a severe disability as much lower than, for example, experiencing a house fire or burglary. Moreover, such coverage is difficult to obtain and very expensive outside a group plan.

Space does not allow us to detail all the shortcomings of the present disability income system. Other agencies and programs that may provide income for disabled people include the Criminal Injuries Compensation Board, sickness benefits provided through the unemployment insurance program, and veterans' pensions. The complexities of overlapping administrative systems and separate methods of determining and verifying disability are not described here. Suffice it to say, however, that the current system is costly, complex, unjust, and inequitable. If a disabled person receives an adequate benefit through any of these programs, it is more likely the result of chance than of a rational system. Many disabled people have no recourse but to turn to social assistance for help.

A New Approach

Our view of the future suggests that the time has come to develop a comprehensive disability insurance system and to move quickly to implement such a program.

The concept is not new. It has been the subject of numerous studies and reports over the years. A federal-provincial task force has been studying the feasibility of a national disability income program since February 1982. Three options for a disability insurance program have been considered and a report has been submitted to the federal Minister of Health and Welfare.

Nor is the concept untried: the New Zealand government implemented a form of disability insurance in 1972, and we can benefit from that country's experience. Australia also tabled legislation to introduce a comprehensive disability plan, but it died on the order paper when the government fell in 1975.[40]

We envisage a modified insurance plan that would provide benefits for disability due to accident, illness, or injury on a mostly "no-fault" basis, regardless of cause. Coverage against total and partial disability would be universally extended to all full-time, part-time, and self-employed workers. In the case of part-time workers, there would be some minimum qualifying criteria. For those who have been in the labour force for a long time, coverage could be extended for a period after they have stopped working.

Our proposal would require the rationalization of many existing disability income programs, including workers' compensation and CPP. It could also involve abolishing or limiting the right to sue for damages arising from accidents that cause personal injury or death, including automobile accidents, depending upon the government's final response to the reports of the Ontario Task Force on Insurance (1986) and the Inquiry into Motor Vehicle Accident Compensation in Ontario(1988). Private insurers could continue to provide coverage for temporary or short-term disability, or coverage above and beyond the earnings levels established by the plan.

Benefit levels would be set at a certain proportion of a person's earnings prior to becoming disabled. The exact earnings replacement level would need to be negotiated. Given that workers' compensation replaces 90% of net income, the committee believes that the figure of 60% being discussed by the federal-provincial study group may be too low. As we understand it, the Australian legislation proposed benefits replacing 80% to 85% of net average recent earnings, which the drafters believed was the "break-even" level. The background studies commissioned by the Australian government may be instructive.

Benefit levels should also be fully indexed to protect them from inflation. This is particularly important for those with severe disabilities, who not only experience a loss of career advancement but often lack opportunities to increase their earnings.

We believe that such a scheme would be best financed by a variety of levies. These could include a levy on employers, similar to the existing worker's compensation provisions; premiums for individual employees; a levy on the use of motor vehicles, similar to current automobile insurance premiums; and perhaps a premium for other hazardous activities.

While this program could be financed through general government revenue, we believe that it is preferable to use premiums, at least in the short run. In our view, a premium-funded program will be perceived by the public as more like insurance and less like "welfare". Accordingly, it is more likely to receive public support.

The imposition of flat-rate premiums is regressive, however, in that low-income individuals must spend a higher proportion of their income to pay premiums than affluent individuals. To mitigate this regressive feature, a premium subsidy program would be needed. The level of subsidy would have to be sufficient to preclude the need for any low-income people to pay premiums. Alternatively, a proportional, sliding-scale premium system would have to be devised.

In our opinion, it is possible to design a plan that would be affordable to both employers and employees. The scheme may not require an increase in cost as much as a reallocation. And, as Paul Weiler has pointed out, any discussion about cost must take into consideration that costs are already being incurred whenever disabilities and interruption of earnings occur.[41] The more important issue is how best to distribute the risks and costs associated with disability.

Committee members noted with interest that the universal accident plan implemented in New Zealand was established for a lower cost than the country's previous programs and at a lower initial cost to employers.[42] This suggests to us that controlling the costs of such a system is very much a function of the specific design features of the plan. We are also aware, however, that the New Zealand experiment has recently resulted in significant cost escalations. They may have been occasioned by the fact that employers' premiums had not increased for three years, and by the fact that it is difficult to control costs in private hospitals. In addition, a New Zealand government report suggested that cost increases were a result of the plan's coverage of temporary and partial disability. At the same time, the New Zealand program has been criticized for excluding severe disabilities due to illness and disease, an exclusion also found in provincial workers' compensation schemes.

Judging by the New Zealand experience, we believe costs would best be contained by initially denying coverage for temporary and partial disability. We also believe that coverage for severe long-term disability resulting from illness and disease as well as accident should be considered a priority.

Given that many of the programs to be rationalized are already publicly administered, it seems preferable to have the comprehensive disability insurance program administered publicly as well. There may very well be a role for the private sector, however. For example, insurance companies have staff trained and computer systems set up to adjudicate disability claims. Those companies active in long-term disability markets have also developed expertise in rehabilitation. Their experience and expertise in both of these areas could be utilized by a government program.

A comprehensive disability insurance program, ideally, should be a national program. It might entail the use of existing federal enabling legislation like that covering CPP or unemployment insurance, or the development of new legislation. Alternatively, it could be provided for by provincial statute, as is now the case with private pensions. Although a national scheme would be preferable, it would clearly require a significant degree of federal-provincial co-operation. If there are roadblocks at the federal level, however, we believe Ontario should seriously consider developing such a program on its own.

The proposal we have outlined would require sweeping changes. The experience of the New Zealand government has convinced us, however, that a disability insurance scheme, even if imperfect, is still practical. The program could benefit by taking into account both the failures and successes of the New Zealand system. We are also convinced that, more than anything else, it requires political will. If a disability insurance program is ever to be developed in Ontario or Canada, governments must demonstrate vision, courage, determination, and leadership.

A Disability Benefit

As discussed earlier, we do not envisage financing a disability insurance system by means of general government revenue. Rather, we foresee a scheme that would be financed, for the most part, by premiums levied on employees and employers. But since there are and always will be people who have never been a part of the labour force, or people who become disabled while not working, we propose a complementary income support program for them.

The disability benefit, as we envisage it, would be a new program. We suggest that the principle of parity with similar income programs for the elderly be used to set the amount provided to recipients of the disability benefit. If such a program had been in place as of January 1988, the benefit would have been approximately $763 per month for a single person, which was then the maximum payment for a person receiving old age security (OAS), guaranteed income supplement (GIS), and benefits under the Guaranteed Annual Income System for the Aged (GAINS-A).

While anyone who met the definition of disability would be eligible to receive the benefit, it would be fully income-tested. Earned income could be retained up to an equivalent of the OAS benefit level. Above that level, additional income could be subject to a 50% reduction rate, like the GIS. This would ensure that all disabled people would receive the same minimum amount guaranteed to the elderly.

The implementation of a disability benefit in conjunction with a disability insurance program would, in effect, remove all disabled people from social assistance. The two new programs should be well integrated and would have several features in common. The most important of these are described below.

Co-ordinating Disability Programs

Benefit Levels

Our proposals would significantly reduce the income disparities of existing disability income programs, but they would not necessarily result in benefit parity between the disability benefit and the disability insurance program. Two equally and similarly disabled people could receive different benefits from the two plans. While on the surface this may appear to violate our underlying objective of equity, we believe that it is justifiable.

This distinction is consistent with disability plans operating in other jurisdictions and with the underlying principle that the amount of compensation is based on the previous level of earnings.[43] We also accept the likelihood that the consequences of income loss are more severe for a victim who has been the family's major income earner, which would warrant a different benefit level.

It is not inconceivable that a person could qualify for both the disability benefit and the disability insurance program. This would probably require appropriate adjustment to ensure fairness and equity with those entitled to benefits from only one of the income programs.

TRANSITIONS

DEFINITION OF DISABILITY

The existence of insurance and income support programs serving disabled people presumes the existence of criteria and a process for defining disability in order to determine eligibility for entitlement. Current programs do not share a common, universal approach to establishing eligibility.

We believe that the definitions of disability used by the two new income programs should be similar, as should the processes used to determine eligibility. While each of the two systems may need to establish its own determination mechanism initially, we see no reason to believe that the two cannot and should not be fully integrated over time. In Chapter 4, we will describe in greater detail our short- and medium-term recommendations for determining disability.

SERVICES

Although the disability insurance and disability benefit programs are important and essential initiatives to improve integration of disabled people, they are not sufficient. The provision of money must be complemented by the provision of a range of services to provide the greatest possible opportunities for all disabled people to contribute to the community to the extent that they are able. These services must include a variety of employment preparation, training, and placement programs. Equally important are support services that enable disabled people to function in the community, including accessible transportation and housing, architectural access to the workplace, home and workplace attendant care, drugs, and assistive devices.

PROGRAM DELIVERY

Ideally, the disability insurance program and the disability benefit would be delivered by the same level of government. This would increase the prospects for harmonization. Realistically, given the complexity of federal-provincial collaboration, the different income programs may be delivered by different levels of government. In that event we would simply argue that the program as a whole will benefit to the extent that its constituent elements are co-ordinated. At the very least, we expect that the physical sites for the programs would be shared.

A Children's Benefit

The second major component of our proposed new income security system is a benefit targeted specifically to children. In this section, we will describe the operation of the existing system of child benefits and detail its shortcomings, then present a rationale and possible design for a new child-based income program.

The Existing Child Benefits System

A cursory survey of existing income support programs might suggest that Canada places a fairly high priority on children. A variety of programs exist that are intended to recognize and acknowledge the special income needs faced by families with children.

The federal family allowance program, for example, provides a payment of approximately $32 per child per month to all Canadian women with children under 18. For lower- and middle-income women, the family allowance is augmented by a refundable child tax credit that will provide a maximum annual benefit of $489 per child in 1988. In addition, the refundable federal sales tax credit includes an amount for children, which will provide an annual maximum of $35 per child in 1988.

In the past, families with a taxable income were able to use a tax provision providing an exemption for children, which would have been $388 per child in 1988. This measure was abolished by the federal government's tax reform initiatives, announced in June 1987. The exemption was converted to a non-refundable tax credit of $65 per child. Unlike the refundable child tax credit, this new tax credit is available only to those families with incomes high enough to require that tax be paid. Families receiving social assistance, in other words, will not be eligible for this credit.

The province is involved in child-related programs as well. Although very modest, Ontario's sales tax credits also include an amount for children. The major program, of course, is social assistance. Both the province and municipalities are involved in delivering this program, which provides benefits ranging from $100 to $300 per child per month.

There are other child-related income programs – for example, the foster parents' benefit – but the specific programs described above are the major ones. The variety and number of programs for children should not automatically be construed as beneficial, however. A more thorough analysis identifies major shortcomings in this constellation of child-related benefits.

The benefits identified here are delivered by three different levels of government. They involve eight separate administrative bodies, which are located within six different government ministries or departments. There is little if any formalized effort to co-ordinate or rationalize this package of benefits. They have different and sometimes contradictory objectives. They also apply very different criteria to determine who gets what. These factors combine to result in a set of programs that often work at cross purposes.

For example, the amount provided by most of these programs increases as income decreases. The exemption for dependent children was the exception: the net benefits actually increased with income. Some of these benefits are closely integrated to the point of being delivered by the income tax system, while others have no direct relationship with the tax system. In some cases, entitlement to benefits is determined by the application of an income test. Social assistance uses a needs test, however, and family allowances have no financial test at all.

Given the number of administrative bodies and government departments involved, it comes as no surprise to learn that changes to any of these programs are carried out in virtual isolation. Decisions to raise or lower benefit levels, to adjust income tests, break-even levels, or thresholds, or to alter definitions are taken with little regard to their impact on other programs. Although this lack of co-ordination is of concern generally, in this section we are primarily interested in its effects on the intended beneficiaries of these programs: children.

While reducing or eliminating poverty among children is not the exclusive policy objective of the existing system of child benefits, many assume and most believe that reducing child poverty should be the primary goal. Unfortunately, the programs have fallen far short of achieving that goal. As information in Chapter 2 clearly indicates, child poverty is a very real problem. In 1984, 367,400 children (a full 16% of Ontario residents under the age of 18) were considered poor, according to Statistics Canada.[44]

Of particular concern to the committee is the physical, psychological, and social impact of poverty on children. We note with alarm that a survey undertaken in Toronto by the Daily Bread Food Bank in August 1987 discovered that 20% of the recipients of emergency food were under the age of 5, and 45% were under the age of 20.[45] We were also struck by the fact that the connection between poverty and the ill health of children was the major issue addressed in the submission we received from the Ontario Medical Association.

A substantive, growing, and disturbing body of literature clearly indicates that poor children are disadvantaged as compared with middle-income children, in health, school performance, emotional adjustment, and participation in extra-curricular activities.[46] Relatively recent findings even suggest that these differences may be more pronounced for children in families receiving social assistance than for those in families who are poor but do not receive social assistance.

Some of this new information was submitted to the committee by the Department of Psychiatry and the Child Epidemiology Unit at McMaster University.[47] Their brief used data from the 1983 Ontario Child Health Study, a province-wide cross-sectional survey of children's health, to compare illness between "welfare" and "non-welfare" children aged 4 to 16. Their findings indicated that relative to all other children, children whose families were receiving social assistance were disadvantaged in a number of ways. They had over twice the rate of psychiatric disorder, poor school performance, and incidence of smoking, and greater than 1.5 times the frequency of chronic health problems and low participation in extra-curricular activities.

Of special interest to the committee are the findings that low income accounts for some but not all of the relationship between social assistance status and both psychiatric disorder and poor school performance. For example, the rate of psychiatric disorder for children from families receiving social assistance was still almost twice the rate for children from families that, while poor (that is, with an income of less than $10,000), were not receiving assistance.

The authors of the submission suggested that more research is required to explain the differences between poor children on assistance and children whose families are not on assistance. While we do not disagree, we also believe it is reasonable to assume that part of the explanation may lie in the continuing stigma of "being on welfare", which attaches also to children. Public attitudes towards people who are poor but in the labour force tend to be more favourable than the public perception of social assistance recipients. Such attitudes, of course, do not differentiate between adults and children.[48]

In our view, the evidence from both the research and the public submissions we received is clear and compelling. It requires a radical restructuring of the existing system of child benefits. We believe that this restructuring should have two primary objectives: to rationalize and increase the level of benefits for children in low-income families, in particular, and to remove children from the social assistance system entirely by using another program to meet their income needs. One possible design for such a program is described below.

A New Program

The Social Assistance Review Committee is certainly not the first body to recognize the need for a new approach to providing child-based income benefits.

In 1983, the National Council of Welfare issued a report entitled *Family Allowances for All?*, which advocated reform.[49] The federal government itself acknowledged the need for change and in 1985 issued a discussion paper that identified several options.[50] The necessity for reform even spawned a new advocacy organization called the Child Poverty Action Group.

Some improvements have been made in recent years. The federal government first restricted the exemption for dependent children – the most regressive of existing programs – and then, as part of the tax reform, abolished it. Our proposal has attempted to build on that progress and has incorporated some suggestions made by different groups.[51]

We envisage a rationalization of most, if not all, existing child benefits, including family allowances, the child tax credit, child-based portions of both the provincial and federal sales tax credits, and social assistance benefits paid for children. All these benefits would be integrated into a single children's benefit. The new benefit would be income-tested and delivered through the income tax system as a refundable tax credit. Although bearing some similarity to the existing refundable child tax credit, the new benefit could be delivered quarterly or monthly rather than annually.

We also envisage a benefit that for low-income families would be significantly higher than the total of existing benefits; it could equal a maximum of $3,300 per child per year (in 1988 dollars). The benefit would be subject to an income test, to be applied at an income threshold of $15,000. Anyone with income below that amount would receive the maximum benefit; for those with earnings above $15,000, the children's benefit would be reduced by an amount equivalent to 25% of the additional earnings.

Our proposal would rationalize several existing federal and provincial programs. This would entail a new cost-sharing agreement between the two senior levels of government.

In our view, the children's benefit or its equivalent must be available to all families with children in Canada. Given its relative generosity, it would be impractical for one province to implement such a program by itself. To do so could encourage some low-income families to move from other provinces to the one with the most advantageous program.

We have proposed a design that we believe is appropriate to Ontario; the specifics may not suit other provinces. While we suggest that the basic benefit level and reduction rate should be the same from province to province, the design should accommodate provincial variations in income thresholds and delivery mechanisms. It would also have to be harmonized with some existing provincial children's programs, like Saskatchewan's Family Income Plan (FIP) and Manitoba's Child-Related Income Supplement Plan (CRISP). The implementation of the children's benefit would require serious and concerted co-operation between the federal and provincial governments.

A children's benefit with the features we have described would substantially alter the distribution of existing benefits. Table 1 compares the amount of children's benefits currently received by families at different income levels with the amount they would receive from our proposed benefit. The change in income distribution of such benefits is depicted graphically in Figure 1.

The major beneficiaries would be the working poor and lower-middle-income families with children. A two-earner, two-child family with earnings of $30,000 would realize an annual increase in income of $2,039 as a result of the proposed children's benefit. More-affluent middle-income families with children will also benefit, however. Even a two-earner, two-child family with an income of $40,000 will stand to gain from our proposal. Although this may seem inconsistent with a general desire to improve benefits to lower-income families, there are two reasons to justify the design we have advanced.

First, our proposal, which will most benefit families classified as working poor, is

Table 1. Current and Proposed Children's Benefits (1988 $)

	Current Benefits[1]	Proposed Benefits	Increase (Decrease)
FAMILY EARNINGS			
$10,000	$1,953	$6,600	$4,647
15,000	1,746	6,600	4,854
20,000	1,746	5,500	3,804
25,000	1,746	4,710	2,964
30,000	1,543	3,582	2,039
35,000	1,312	2,430	1,118
40,000	1,125	1,494	369
45,000	790	366	(424)
50,000	727	54	(673)
-	-	-	-
75,000	658	0	(658)
-	-	-	-
100,000	621	0	(621)

[1] Net family allowance and child tax credit, after tax reform.

For two-earner families with two children, after tax reform. Source: unpublished data provided by the National Council of Welfare.

more likely to receive public acceptance and support if middle-income families perceive that they will derive some benefit from the new program. Middle-class support may be a prerequisite for the implementation of a program that will most benefit the poor.

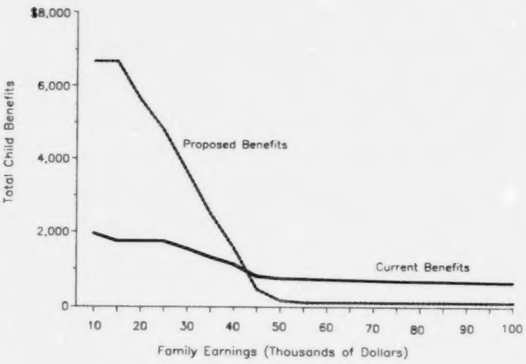
Second, we are aware that our proposal to rationalize family allowances may be subject to criticism. The family allowance is not seen exclusively as a program to redistribute income, although it is progressive in its impact (that is, the net value of the family allowance decreases as income rises, because it is taxable). It is also seen as having a policy objective that is technically known as "horizontal equity". Simply put, the family allowance program recognizes that there are extra costs incurred by raising children, regardless of income level. The family allowance ensures some measure of "horizontal equity" between families with children and those with the same level of income but without children. This principle applies to families with an annual income of $70,000 as well as to those with a $10,000 income.

The committee believes that the goal of horizontal equity is a valid objective, although we are not convinced that it need apply to relatively affluent families. Our proposal ensures horizontal equity, therefore, but only to families with incomes of less than approximately $43,000.

Our recommendation may also be criticized because the family allowance is seen

Figure 1. Current and Proposed Children's Benefits (1988 $)

For two-earner families with two children, after tax reform. Source: unpublished data provided by the National Council of Welfare.



by some, especially women's organizations, as a women's benefit. It is the only benefit that women – at least women with children under the age of 18 – are entitled to in their own right. We have suggested its rationalization, however, because the level of benefit we have proposed may not be feasible unless the more than $2 billion now required to fund family allowances can be reallocated to help finance the new children's benefit.

The design we have described is more illustrative than definitive. We recognize that there could be variations in the benefit level, the income threshold level, and the reduction rate in order to secure political and public approval. The specific features of the design are of less concern to us than its objectives. We are firmly convinced of the need to implement a single, child-based income benefit that would simplify and rationalize the existing myriad of child-based income benefits and guarantee a level of income for every child adequate to ensure that no child in Canada or Ontario would live in poverty.

Income Supplementation

It is our fervent hope that the year 1988 may mark a turning point in the evolution of income security in this country. We hope that it will be remembered not as a year in which a government received yet another report recommending an income supplementation program, but rather as the year in which the Ontario government began its implementation.

Calls for income supplementation have been made with depressing regularity in the past. A proposal for income supplementation was advanced in the "Orange Paper" of 1973.[52] This working paper on income security was published by the federal government to initiate an intensive federal-provincial review of the entire income security system in Canada.

The promise held out by the federal-provincial review in its early days was never fulfilled, and calls for income supplementation continue to be heard with increasing frequency. In the past three years, for example, recommendations for income supplementation have been made by several government-appointed commissions, including the Macdonald Commission,[53] the Forget Commission on Unemployment Insurance,[54] and the recent Newfoundland Royal Commission on Employment and Unemployment.[55] The Canadian Council on Social Development recently called for an income supplementation program as part of a major restructuring of income security programs it advocates.[56] The Ontario Social Assistance Review Committee can now be added to this list.

The Working Poor

Poverty is a condition that is not restricted to those who are unemployed. As information in Chapter 2 indicates, a significant number of people who work have incomes below the poverty line or low-income cut-off as defined by Statistics Canada. This is the group referred to as "the working poor".

People can work and still be poor for a variety of reasons. In some cases, it is because the only work people can find is seasonal or part-time. In addition, many permanent, full-time jobs have such low wages that they still leave workers with incomes below the poverty line. Finally, wages do not increase with family size. A wage that may be sufficient for a single person may be inadequate for a family.

With only a few exceptions, the working poor derive no benefit from social assistance programs. As a result, there often exists a disparity between recipients of social assistance, who also receive certain benefits like eyeglasses, and the working poor, who must pay for such items out of their own pockets. This disparity can constitute a disincentive to leave assistance to take a low-paying job. For those already in low-paying jobs, it can act as an incentive to quit work and apply for social assistance.

The problems confronting the working poor are severe and fundamental. They will only be resolved by reorienting the income security system to help people who are poor, but in the labour force. This is consistent with our overall objective of ensuring that every individual is encouraged and supported to take advantage of every opportunity to participate in community life.

Providing support to the working poor has consistently influenced the committee discussions. Our proposal for a children's benefit, for example, is of primary benefit to working poor families. It helps to redress one of the major causes of poverty in the labour force, which is that wages do not increase with family size. However, the children's benefit must be complemented by a separate program of income supplementation for adults.

We believe that the government should begin the implementation of this program immediately. For that reason, the detailed technical discussion of income supplementation will appear in Chapter 6. There we will present a possible design for an income supplementation program and suggest the way in which an existing work incentives program, WIN, can be restructured towards that end. We also hope to demonstrate how our proposal for income supplementation will not only complement but strengthen and improve the specific changes we are proposing to the social assistance system itself.

While the committee strongly supports income supplementation, we do not believe that it should replace improvements in the minimum wage. A discussion about the relationship between income supplementation and minimum wages will also be presented in Chapter 6.

An income supplementation program must evolve in harmony with other programs. These include not only social assistance, but new income programs we envisage such as disability insurance and the children's benefit, as well as existing programs like unemployment insurance.

The emergence of income supplementation or other new income security programs may be affected by another public policy development that was being debated as we concluded our deliberations: the Meech Lake Accord. Of special interest to the committee is the clause that provides for federal compensation to any province that decides to opt out of new national shared-cost programs in areas of exclusive provincial jurisdiction, if the province implements a program compatible with the national objectives. Whether this clause strengthens or weakens federal spending power is being hotly debated. So, too, is the issue of whether the Meech Lake Accord will foster or impede the ability of Canada to initiate new national shared-cost programs.[57]

That there is a debate at all is of concern to the committee. We believe that Ontario and Canada have been well served by a style of co-operative federalism that has allowed for flexibility and variability in the extent of involvement of the two senior levels of government in the social policy field. We believe that there have been occasions in the past when it was appropriate and desirable for the federal government to play an active role in the social policy field; the development of medicare is a good example.

This arrangement has worked well in the past, and we believe that it is also essential for the future. The changes we advocate to income security will entail a significant restructuring of the roles and responsibilities of the federal and provincial governments. In some areas, they will require increased federal involvement. Any change affecting that possibility is worrisome to us. We do not feel that it is appropriate for us to state a position on Meech Lake, but we would be opposed to any interpretation of the spending-limit clause that inhibits or restricts the ability of the federal government to exercise appropriate and reasonable authority and responsibility for the development of national shared-cost social programs. Furthermore, we would be opposed to an interpretation that in any way limits the establishment of national standards or guidelines for shared-cost programs.

The Social Assistance System

The fourth and final element of the new income security system we envisage is, of course, social assistance. If the other elements are in place, however, the future shape of the social assistance system will be very different from the programs we now call General Welfare Assistance and Family Benefits.

In future, no one in the labour force should need to turn to social assistance for help in making ends meet. Disabled people will not have to rely on social assistance because their needs will be met by a disability insurance program or a disability benefit and the support services that complement both income programs. Nor will children be part of the social assistance system, because their income needs will be met by the children's benefit. In other words, only adults will be recipients of social assistance in the future, and there will be far fewer than is now the case.

Entitlement to social assistance will be based on need alone, and there will be only one category. The adequacy of benefits will be assured by establishing benefit levels on the basis of estimated and actual expenditures on a basket of goods and services.

Recipients will be helped to develop a goal and a plan to enable them to achieve their optimal level of self-reliance. Primary emphasis will be given to integrating recipients into the day-to-day life of the community.

There will be a continuing but changing role for the provincial and municipal governments. The provision of assistance will respect the cultural diversity of the province. Social assistance for Native people will increasingly become a program designed and controlled by Native people themselves.

Only highlights of the new shape of the social assistance system have been described here. The balance of this report details the shorter-term changes that can and must be made in order to resolve existing problems and head towards the future social assistance system as we envisage it. It will also describe additional reforms that must be made to ensure the development of other programs that must complement the future social assistance system.

PART II

4

THE BENEFIT STRUCTURE

Simply stated, the term "benefit structure" answers the question: Who gets what? Under the present social assistance system, the unnecessary complexity of the benefit structure has done much to obscure the answer to this already difficult question.

Under the committee's long-term plans, many of the problems associated with this complexity and the accompanying lack of rationale will be resolved through new benefits to be delivered outside the social assistance system and through a general reduction in the role of social assistance. But in the interim, before more comprehensive changes are possible, substantial changes should take place to improve the benefit structure, while paving the way to more thorough reform. The greater part of this chapter concentrates on this essential groundwork, with recommendations that focus on short- to medium-term solutions to problems in the current social assistance system.

It is time to realize that the poor are neither "worthy" or "unworthy", they are simply poor.

Kenora Legal Clinic

The large number of issues outlined in this chapter make the task of reform both daunting and unwieldy. As a number of experts who helped with the review process have noted, the system is far more complex than it first appears. To cite just two examples, there are 36 different legislated benefit levels for a single mother and one child. Three different rates may apply depending on the age of her child, two different sets of rates if she boards, another set of rates if she rents her accommodation, another set if she is disabled, another set if she receives GWA benefits, and so on. A 62-year-old single woman must be separated from her husband for five years and not know where her husband is before she can receive assistance under the Family Benefits program. If the whereabouts of her husband become known to her, her benefits can drop by more than $100 a month. If the same woman is an immigrant and she is ineligible for old age security, the statute calls for her benefits to drop when she turns 65. A man in the same economic circumstances is ineligible to receive FBA and may be asked to fulfil job search requirements to receive GWA.

Casual readers who find themselves mystified by these examples may readily understand our conclusion that we were faced with a set of programs that had long since lost touch with community standards. But beyond illustrating the system's complexity and failure to conform to prevailing values, these are examples of a system that has a history, but no overall rationale or secure policy framework.

Piecemeal and seemingly benign incremental changes have, over a period of six decades, been interwoven into programs that have become almost impervious to analysis. Many of these changes can be directly attributed to the fact that other income security programs have left gaps that social assistance has been obliged to fill. The complexity resulting from this haphazard process explains, in part, the mysterious absence of any comprehensive critique of the social assistance benefit structure. Would-be critics have simply been overwhelmed by the exceptions and caveats that permeate the current structure. Many aspects of the current structure are not even consistently inconsistent.[1]

In some respects, the benefit structure of social assistance in Ontario is the part of the overall system in greatest need of reform, because it is its most entrenched and anachronistic aspect. This chapter begins with an inventory of the major problems and issues the committee identified. It goes on to explain how the principles we have formulated set a policy framework for the changes we will propose. The remainder of this chapter is devoted to the committee's recommended changes to individual aspects of the benefit structure. We believe that our recommendations will make the social assistance benefit structure less complicated and more accessible to public discussion and debate. We aim to bring the benefit structure out of the policy vacuum that now surrounds it, and to build a solid policy framework for a new system.

We must emphasize that the recommendations for short- to medium-term reform in this chapter should be in place *before* the major reforms outlined in Chapter 3. By the time of these major reforms, the social assistance system should have a much smaller clientele. However, we are aware that the interim changes we propose in this chapter will make it temporarily larger. We believe that it is not illogical to be advocating a somewhat larger social assistance system as an interim step to achieving a smaller system with a greatly reduced role. The overall objective is the realization of a fairer and more adequate income security system. We believe that certain parts of the current benefit structure (those directed at children and disabled persons) should not be part of the social assistance system. But before these become part of another system, changes must be made within the present context.

Major Difficulties in the Benefit Structure

As the committee looked closely at the social assistance system's benefit structure, we often attempted to discover why a particular policy had been implemented, only to learn that it was put in place 20 years ago to meet a concern of the moment that is no longer of consequence. In other instances, policies were designed to parallel changes in other programs that no longer exist. In still others, policies were developed to reflect public attitudes that no longer hold.

Clearly, if the social assistance system could be started over, no government would invent 36 different benefit levels for a mother with one child. However, without an articulated policy framework, there would be a definite risk of doing so again.

A good example of a policy with a history but without a current rationale is the mandatory period that deserted, unwed, and separated mothers must wait before receiving Family Benefits. Waiting periods for assistance originated in 1921 with a five-year waiting period for deserted mothers. During the 1930s, 1940s, and 1950s, the waiting periods were successively shortened to three years, one year, and six months. Today's three-month waiting period was established in the 1960s.[2] It is virtually impossible to discern a current policy rationale for this rule. It is simply there – and it remains on the books in the absence of strong pressure to remove it.

INADEQUACY

Nowhere is the lack of policy rationale more apparent than in the current social assistance rate structure. Most elements of its design were set in 1967 with the current Family Benefits and General Welfare Assistance Acts, in 1974 with the introduction of the Guaranteed Annual Income System for the Disabled (GAINS-D), and in a 1981 realignment that saw the introduction of province-wide shelter subsidies to supplement basic GWA and FBA benefits.

Yet by any standard – including those set by poverty lines, market baskets, or public perceptions of how much money people need to live – the rates are inadequate. They provide too little for shelter, too little for food, and too little for other necessities. Perhaps most important, they provide too little for recipients to maintain their dignity and to support the process of transition to autonomy.

Throughout the public hearings and the written submissions, recipients, agencies, scholars, and members of the public dramatically described the results of these inadequacies again and again. Not one submission concluded that social assistance rates were adequate. Even among the few submissions that did not propose higher social assistance rates as part of the answer, none argued that the current rates met real needs.

The present low social assistance rates have evolved from such principles as "less eligibility", which stipulates that recipients should receive less than the lowest working wage in order to preserve the incentive to leave social assistance. Other reasons include the alleged inability of the government to afford increased rates, and the need to respond to presumed negative public attitudes towards social assistance recipients. None of these arguments support the thesis that present rates are adequate; rather, they simply rule out the appropriateness of adequacy on various grounds.

Complexity

Under Ontario's social assistance programs, there are 22 legislated categories of recipients, and numerous sub-categories. Within this structure, there are at least eight other factors that dictate variations in allowances. The current allowance structure consists of a maze of rates containing hundreds of variations.

Although many of these rates have no current policy rationale, several seem justified when seen in isolation. However, the system's overall complexity is not justifiable. Recipients do not understand why they are receiving one rate instead of another; often, those who apply the rules are unable to explain their decisions to their clients. Only a small group of program experts now understand the system, and even they freely admit that many of the present policies have little or no current rationale.

The Two-Tier System

In 1967, when unemployment was at 3% and public expectations as to who was able to work and who was not were clearer, it made perfect sense to have a short-term program of social assistance (GWA) for those who were temporarily removed from the labour force, and a long-term program (FBA) for those whose absence from the labour force was expected to be permanent. Recipients of short-term assistance clearly had a different set of needs than long-term recipients. The two-tier system, however, no longer makes sense. High levels of structural unemployment have resulted in longer periods of assistance for many people who once would have been considered short-term recipients, while changing social attitudes have brought single parents and disabled people, among others once considered unlikely to participate in the labour force, into the economic mainstream. The two-tier system no longer reflects reality, and the committee received no responses favouring its retention.

Neither of the social assistance statutes mentions an intent to cover short-term or long-term recipients; instead, coverage is defined entirely in terms of categories or target groups. So when, for example, recipients considered "employable" require social assistance for longer periods, they do not automatically transfer from GWA to the long-term program. They stay on the short-term program because it is the one designated to assist employable recipients. Consequently, long-term recipients often continue to receive the lower short-term rates. Disabled people, who are covered by the long-term FBA program, are not offered employment and training programs that could bring them back into the mainstream of community life, because the FBA program is designed for long-term dependency.

Voices

Hamilton Wentworth District Health Unit	*An adequate income is one of the cornerstones of a stable existence; an inadequate income generates stress and low self-esteem. Few people are happy or proud to be poor.*
Recipient	*Red tape and delays often result in months, or even years of waiting for Family Benefits. In my own case, it took about three and a half years and three applications. When I was turned down the second time, I was told, and I quote, "Don't feel bad. I have a case just up the street that is worse off than you, and he was also turned down." She then gave me a description of this person's problems.*
Toronto Association of Neighbourhood Services	*The legislation does not guarantee support for people in need as a right. This is particularly true of Supplementary and Special Assistance programs. They are benefits which can be taken away or lost. This puts enormous discretionary power in the hands of workers and administrators, who in turn are not meaningfully held accountable.*

CATEGORIES

Complexity is not the only problem created by the system's surfeit of categories. Dividing recipients into a multiplicity of categories to determine their eligibility for benefits (the policy often referred to as "categorical eligibility") implicitly creates a hierarchy ranging from less to more deserving. This anachronistic hierarchy forms an unjust framework for social assistance allowances, resulting in a system whereby people in need receive better or worse treatment and more or less money based on their sex, their age, the circumstances under which they have lost their spouses, and a variety of other personal and social circumstances. In some instances, the issue of need, originally the primary consideration, seems to have become secondary at best. This hierarchy also unfortunately leads recipients to judge themselves and one another in terms of where they fit on the scale of deservedness.

The submissions received by the committee were highly critical of the profound negative effects of categorical eligibility. It became clear that rather than meeting its first obligation – to cover the needs of recipients – the social assistance system has been sidetracked into fulfilling perceived social and moral objectives by determining benefits according to category. For example, children cannot be FBA beneficiaries unless they go to school. A 62-year-old man receives less money than a 6[illegible]-year-old woman. An aged immigrant receives less than an aged person who is eligible for old age security. A single person who is categorized as unemployable receives more than an employable single person.

In a few instances, current categories do make distinctions based on need. In this regard, we will reaffirm the present system's finding that disabled persons have greater needs than non-disabled persons.

Definition of the Benefit Unit

Over the past 20 years, the family unit has undergone a remarkable amount of change; however, the social assistance system has not changed with it. The work undertaken by the committee at the outset of the review, regarding the controversial "spouse in the house" rule, illustrates the degree to which the social assistance system has lagged behind changes that have taken place in society. Under this rule, recipients were automatically considered married by the system from the first day they lived together, regardless of their actual legal obligations to each other. In effect, the system defined relationships according to its own set of rules rather than looking to the fact of need or to the way in which either the recipients themselves or the law defined their relationships. The government accepted the committee's recommendation that this rule be amended so that the definition of "spouse" applied by the social assistance system would follow that contained in the Family Law Act.[3]

The committee received many submissions criticizing the social assistance system for its emphasis on family over individual need, but the most striking criticisms pointed to the system's disincentives to pursuing family life. Rather than rewarding or assisting families who remain together, the system has evolved in such a way that it almost always pays less money to people when they are seen as a family than when they are treated as individuals. The adage that two can live more cheaply than one, while often true, does not justify rules that create disincentives to form family relationships.

Definitions of Disability

The definitions of disability currently used within the social assistance benefit structure draw a sharp distinction between disabled and non-disabled persons. An applicant whose medical condition is either not permanent or not severe enough to satisfy the Medical Advisory Board may be relegated to GWA, a program designed for short-term recipients, for years; GWA can provide less than half the benefits that would be paid if his or her medical condition was (or was perceived to be) just a little bit worse.

Unrealistic rates and the two-tier system create false incentives for applicants to view themselves as disabled. The single largest category of appeals to the Social Assistance Review Board is from people who have been turned down in their applications to be categorized as disabled or permanently unemployable. A large number of recipients and professionals advised the committee that the current definitions of disability are unworkable in today's environment.

MANDATORY AND NON-MANDATORY BENEFITS

Two distinct concerns were raised regarding the issue of "discretion" in the course of the hearings: the distinction between mandatory and non-mandatory benefits, and the role of discretion in administrators' overall decision-making, whether the benefits provided are mandatory or not. The first issue is dealt with in this chapter; the second is considered in Chapter 7.

Only basic allowances and a selected group of special benefits are currently provided on a mandatory basis. Other benefits – such as first and last months' rent, emergency funds, medical supplies, layettes, travel and transportation money – are supplied on a non-mandatory (sometimes called discretionary or permissive) basis. In other words, if a municipal social services department does not wish to provide funds for these purposes, it is under no obligation to do so. The committee found the non-mandatory designation of many basic needs disturbing. Lack of municipal funds was often noted as the reason these needs were not met. In other situations, provision of services depended on the whims of an individual official. Most offices have no guidelines regarding who receives these benefits and who does not. Whether caused by lack of funding or the failure of the province to designate essentials as mandatory, this problem is a major one in the current benefit structure.

THE POLICY-MAKING PROCESS

During the review, the committee became more and more concerned that there seemed to be no publicly available document detailing the principles or the foundation on the basis of which changes in social assistance policy are made. For example, we asked for the rationale for the current rate structure and requested policy documents that might explain the reasons for the current array of categories. Each time, we were led back to the historical events that precipitated a particular policy. We were struck by the fact that the last widely available document detailing the principles of social assistance was published in 1973.[4] In 1979, two large volumes of guidelines were issued explaining existing policies and practices, but neither of these documents set forth the principles or framework that had led to these policies and practices. Without these, no blueprint for change existed.

We have concluded that the reason for the lack of policy documentation is the low priority social assistance policy-making has had over the years. There is a pervasive fatalism, a sense that little can be done in the area. Consequently, the common complaint we heard concerning lack of consultation in the policy-making process is best explained by the lack of a process rather than a deliberate attempt to bypass consultation. Although there does appear to be overall agreement that social assistance is designed to meet the requirements of people without resources in a fair and efficient manner, this objective has largely taken a back seat to a floating array of competing priorities and influences that have been responsible for most of the changes in the last 20 years.

In the recent past, the ministry has tended to judge the success of its social assistance policies in terms of the dollar amount that it spends on social assistance rate increases. Although these expenditure increases are important, they are no substitute for a clear and justifiable set of principles or policy framework.

Financial Testing Criteria

Another major issue raised often in our hearings related to the present financial testing criteria. Assets tests are seen as too stringent, income tests seen as too confusing; both are said to work against the efforts of recipients to become self-sufficient. Needs-testing criteria are also seen as defeating efforts to attain self-sufficiency. We share these concerns.

Stigma

During the hearings the committee heard much about the stigma attached to receiving social assistance – most often in the context of the way the program is delivered. However, recipients are also stigmatized through a benefit structure based on categories that first label them, then implicitly place them in a hierarchy of deservedness. In addition, non-mandatory benefits create a sense of powerlessness and disenfranchisement, because recipients are unsure of their entitlements and become confused and frustrated in their dealings with the system.

The Objectives of Reform

It is vitally important that benefit structure reform reflect and be seen to reflect the objective and principles for social assistance we have outlined in Chapter 1. Changes in benefit structure should reinforce the overall objective of movement from dependency and exclusion from the mainstream to self-reliance and inclusion. Adequate rates, a more liberal approach to assets and income testing, and a system that is understandable and accountable and provides more assured benefits are all examples of how this can be accomplished.

Many of our principles are highly relevant to reform of the benefit structure. The eligibility principle, which asserts a universal right to social assistance based on need, necessitates careful examination of any proposal to exclude applicants for reasons unrelated to need. An accessible system must be free of the complexity that makes those who approach it unsure of what it has to offer. The adequacy principle, which asserts the necessity for assistance levels that meet basic needs, bears directly on the benefit structure, and requires, at a minimum, a clear and public definition of adequacy against which rates can be measured. Our emphasis upon approaches that enhance personal development underlies our belief that adequate rates and a clear and reliable system of mandatory benefits will provide the stability and self-esteem that many recipients need if the transition to autonomy is to take place.

Reform of the benefit structure requires consideration of both the importance and the limits of principles respecting individual rights and family life. Categorical and structural distinctions that violate existing human rights legislation must be eliminated; rules regarding eligibility and the benefit unit must not leave individuals at risk within the family. At the same time, those rules must support, not discourage, family formation, while also reinforcing the mutual obligations and responsibilities of family members. The requirement that the system respect diversity demands an examination of how the design and application of present rules within the benefit structure can violate cultural norms.

Reform Proposals in Summary

The complexity and diversity of the current social assistance benefit structure make it difficult to propose quick and simple solutions for reform. Perhaps the easiest approach would be to recommend higher rates and relaxed rules concerning limits on assets and income. However, making only these sorts of changes would leave the system in its current complicated state and would miss a major opportunity to improve the program by simplifying it. Reform of social assistance should include establishment of a clear policy focus for the benefit structure as a whole.

The committee, mindful of the opportunity that has been given to us, has chosen to accept the challenge of suggesting more comprehensive reform. Accordingly, we have proposed reforms to the benefit structure in eleven major areas.

ONE SOCIAL ASSISTANCE SYSTEM

The current two-tier social assistance system should be rationalized into one system, with a new Social Assistance Act replacing the current Family Benefits and General Welfare Assistance Acts. The new system should be characterized by one overall benefit structure that would no longer use categories of eligibility as a basis for distinguishing between short-term and long-term rates.

MINIMIZATION OF AUTOMATIC INELIGIBILITY

No person should be automatically ineligible for assistance on the basis of some pre-emptive factor such as failure to have an address, self-employment, having a low-wage job, or failure to fit a pre-existing social assistance category. We have identified only one category of people – strikers – who might be an exception to this position.

RATIONALIZATION OF CATEGORIES

The present number of categories of eligibility ought to be significantly reduced. This will mean fewer rates, the elimination of anomalies, and a reduction in discriminatory practices.

A NEW AND WORKABLE DEFINITION OF DISABILITY

The definitions of disability, which are now based solely on the duration and severity of medical conditions, ought to place more reliance upon the applicant's work aptitudes and capacity to be trained. In addition, the separate and divergent definitions used by social assistance and Vocational Rehabilitation Services (VRS) should be merged.

TRANSFER OF HANDICAPPED CHILDREN'S BENEFITS

This program should be removed from the social assistance benefit structure and merged with the existing Special Services at Home program of the Ministry of Community and Social Services.

A NEW AND FLEXIBLE DEFINITION OF THE BENEFIT UNIT

Following from our earlier recommendations for the elimination of the "spouse in the house" rule, we recommend an approach that pays equivalent benefits to all adults, while treating adults in the same household as families once they have incurred support obligations to each other according to the Family Law Act.

AN APPROACH TO ASSETS AND INCOME THAT SUPPORTS THE TRANSITION PRINCIPLE

A more liberal approach should be taken towards assets and income, to enable recipients to establish the economic foundation from which to seek self-sufficiency.

THE BENEFIT STRUCTURE

Adequacy

A clear measure of adequacy, along with methods of ensuring public accountability, should be instituted as the system moves to implement and maintain adequate rates.

A Rational Approach to Shelter Costs

The present approach to shelter subsidies should be eliminated and shelter expenses reimbursed up to an established ceiling based on real costs.

Mandatory and Non-Mandatory Benefits

Most necessities and special needs should be mandatory. A small group of special needs should continue to be delivered on a non-mandatory basis.

A Different Approach to In-Kind Benefits

The present mix of cash and in-kind benefits should be retained, with measures introduced to soften the impact of loss of benefits when the recipient leaves social assistance. Many in-kind benefits should be delivered by other jurisdictions, such as the Ministry of Health, as part of broader programs for all the people they serve.

One Social Assistance System

Since 1967, two pieces of legislation, the General Welfare Assistance Act and the Family Benefits Act, have governed the provision of social assistance to needy persons in Ontario. Although benefits under these two statutes were almost identical in 1967, the benefit structures have grown farther apart over the years. At present, differences are found in a number of areas, including benefit levels, asset limitations, earnings exemptions, earnings averaging periods, treatment of non-earned income, and limitations on work hours.

For the most part, an FBA recipient must be a single parent, an aged immigrant, disabled, blind, or considered permanently unemployable for serious medical reasons. GWA effectively covers everyone else. Disabled persons receive through GAINS-D a supplement of $165 per month over the already higher FBA rates. GWA recipients lag far behind. A single unemployable adult receiving GWA and a single person receiving GAINS-D received maximum allowances as of January 1988 of $475 and $693 a month, respectively.

In 1967 there were sound administrative reasons for keeping the FBA and GWA programs separate. The Department of Social and Family Services, a highly centralized provincial government department, was formed in that year, in part to deal with the massive structural and procedural changes precipitated by the new Canada Assistance Plan (CAP). The new department did not have the extensive field operation the minis-

Voices

Social Planning Council of Hamilton	*Allowance levels, particularly those of General Welfare Assistance, were set low to discourage dependence. In reality, the system has produced long term recipients living in chronic poverty.*
Recipient	*As for the way in which we "blow" our cheques; I think everyone on welfare knows that feeling of being "rich" for a day; by the time we pay our rent, pay our bills and buy our food we have definitely "blown" it and the sad fact remains; there is no more for another month.*
Recipient	*I am currently on Mental Disability Pension. Because I am living at home, I am getting less money. I am living with my mother, my father is dead. My mother is on old age pension. I still have the same needs and we are very poor. I can not see why I can't receive the full amount of money. If I had to be hospitalized again, it would cost more than my pension by hundreds of dollars a month. If I have money and feel better about myself I could be more productive and have better health mentally and physically.*

try now has, and the beginnings of automation in the social assistance area were seven years away. In this context, it was only logical that the extensive and well-entrenched machinery of municipal delivery would be left in place to meet local welfare requirements for a well-defined short-term caseload. Standardized delivery at any level was a distant objective in a department that saw consolidation of social services delivery units as a major task at a time when regional municipal government was a new and controversial experiment.

The fact that 80% to 90% of the clients who entered FBA moved to this program from GWA was always seen as a major administrative inefficiency. The impediment to merging was that major administrative reform would be required to consolidate the operation of these systems.

It can be argued that these administrative reforms are now in place.

- Consolidation of municipal delivery units is almost complete; benefits are deliv-

Sharon, 43, Hamilton

Sharon has two children; her son, 21, lives with her.

I dropped out of school at 16 and went to work in a restaurant to help my mother, who was raising five children on her own. In those days, school wasn't all that important for women. I married at 19.

At 32, I went on Family Benefits after leaving my husband. He could never keep a job. I had been working full-time in a factory and was on unemployment insurance. I told him that once my unemployment insurance ran out, if he didn't have a job, I'd leave with the kids. He didn't believe I'd leave but I finally did. I was scared and had a terrible time doing it, because no one helps you until you're out of the house – they won't help you get out, which made it hard to leave. I never got any child support because he never worked steady.

A certain age

I didn't want to go on welfare. I don't think anybody does. It just does something to you. I didn't think I'd be on it very long – just until I found a job.

Over the years I thought of returning to school, but I was getting too old and it would have taken me so long to finish. I figured something would come along and I wouldn't need to spend all that time in school. It's too late now. I also tried to find work in factories, but once you're a certain age they won't hire you. I can't do anything else. I tried selling vacuums and Avon door to door, but never made any money doing it. I'm scared of stores because I haven't had any experience working in them. I went to Canadian Tire last year and even had an interview but I never heard from them.

Health problems

I can't do much work anyway because of my health. I've never really been well – always little things like an ulcer, a heart murmur, phlebitis – and now I've had surgery and its complications. Every time I think I'm getting better, something else happens.

The kids and I were better off on Family Benefits anyway. I'm not saying it's been easy, but at least the money's been steady. Since I don't have much work experience, I would only have qualified for a low-wage job if I'd found one and I had two kids to raise. Besides, I would have lost my OHIP coverage and drug card. At least on Family Benefits I could stay home with the kids. I couldn't when I was married, and if I'd been out working they might have gotten into trouble.

But being on General Welfare is another story. Things have gotten really tough. Once my daughter left home

[redacted]

and my son finished high school, I had to go on General Welfare. I've been on it for a year now and went from about $600 to $291. My son works and gives me $120 a month. After paying rent, phone, and hydro, we just try to survive. I haven't done a big grocery shopping for a long time. Sometimes the dog eats before I do. I worry about having enough toilet paper, soap for the dishes and laundry. My hair needs cutting badly. My son's car just sits out back because we can't afford the insurance. The car is in my name, but because I haven't been insured for two years I am considered a high risk, so the insurance is $1,442. I really don't know why I was forced onto General Welfare. Maybe they expect that your kids or a boyfriend will keep you when you reach my age.

"I wish I was 65"

Just before my surgery I was told I'd have to move out of Hamilton public housing because my son is no longer in school. It seems to me that they want me to get rid of my son. But he's not ready to move out yet. I thought maybe with my son still living with me I could stay. They could even put the rent up a bit, but I don't know how I'd pay it. I've lived here for 10 years and don't think I should have to move. Where am I going to go? Apartments scare me. I hate them with a passion. I'm terrified of cockroaches. And I've got so much stuff I wouldn't know where to put it. I'd have to get rid of our dog, and she's like a member of the family. Every day I expect to hear a knock on the door telling me to leave. I have no idea what I'll do if that happens. That's why I was hoping my dog would have lots of puppies. I could sell them for maybe $200 and we could use the money for first and last months' rent in a new place. But she only had one.

I don't go out much any more. Once in a blue moon I'll go play bingo but I mainly stay home and watch television. I'm feeling pretty bad right now. I cry a lot and the only thing that seems to keep me going are the kids. I'd like to be able to give my worries to someone else for a while. Sometimes I wish I was 65. Then I'd be on old age security and wouldn't have any worries. Not that I want to be older, but I'd be more secure.

ered by the highest available level of local government in all but a few instances.

- The ministry's client-related decision-making has been completely decentralized to the local level, and its field operation has been significantly enlarged, paralleling and often exceeding the size of local government operations.
- The automation of FBA and GWA into one computerized system is close to being completed.
- Integrated delivery of GWA and FBA to single parents has been successfully accomplished in a number of centres.
- Integrated forms and record-keeping functions have been initiated.

Accordingly, the administrative impediments to merging GWA and FBA are simply no longer an issue.

RECOMMENDATION 1

The Family Benefits Act and the General Welfare Assistance Act should be merged into one piece of legislation, with one benefit structure that covers all social assistance recipients.

One of the major benefits of merging the two programs and rationalizing categories is that real need more easily becomes the major criterion in determining rates. The question remains as to whether short-term and long-term rate distinctions should be maintained. It would be wrong to establish any rate differential along categorical lines. Yet it may be true that persons who spend a very short time on assistance have fewer needs than those who spend a longer period on assistance.

We also recognize that the adoption of uniformly higher rates would be a very costly proposition for the government, although we do, on balance, favour rates that are as uniform as possible. Therefore, we feel that if a short-term/long-term distinction is to be maintained, fixed time limits must be imposed for receipt of the lower short-term rate.

Eligibility, Ineligibility, and Categories

We now turn to the key question in benefit structure: Who gets what? Our discussion will follow the applicant through the benefit structure, looking first at how it establishes who the applicant is and then at how it fixes the amount the client receives.

The first question is whether an applicant is eligible for assistance at all. If the applicant is deemed eligible, an examination is then conducted to discover to which category of assistance the applicant belongs. These two assessments are distinct from and precede any assessment of the individual's financial needs.

Next, a determination of the family status of the applicant is made. For example, an applicant could be a single person, a family head, a spouse, or perhaps a dependent child. This determination rests upon a complex amalgam of explicit and implicit rules that define the benefit unit on the basis of living arrangements, sex, age, and legal obligations. These issues are considered below in "Defining the Benefit Unit".

Once the benefit unit is determined, it has finally been established "who" the applicant is. The final two processes, financial testing and allowance determination, establish "what" the applicant receives. These concerns are covered in two subsequent sections of this chapter.

Automatic Ineligibility

Certain people who seek financial help from the current system are automatically presumed to be ineligible for social assistance. Most people who are self-employed or who work full-time are not eligible for GWA under any circumstances. FBA will not make payments for children who do not attend school. Neither program will accept able-bodied 18- to 20-year-olds living at home; most 16- to 17-year-olds living outside their family home; people without an address; people residing outside Ontario; strikers; or some refugee claimants with visitor status.

No central theme or principle unites these criteria for ineligibility; each resulted from a separate decision or set of unique circumstances. For example, changes in the interpretation of the federal Immigration Act were instrumental in defining the ineligibility of some refugee claimants with visitor status. A narrow interpretation of the phrase "inability to obtain regular employment" led to the ineligibility for GWA of persons with full-time jobs. The prevailing municipal interpretation of what constitutes a "home" has produced the devastating result that persons who do not have an address are often declared ineligible.

Our principle of eligibility is clear: lack of need ought to be the only criterion for the denial of assistance, unless there are clear and justifiable reasons why other criteria ought to prevail. The denial of aid to persons applying from outside the province is an obvious example of a fair exclusionary rule. We also accept that children under 16 should be seen as dependants within their families for social assistance purposes. We have not dealt with when, if ever, children younger than 16 might be seen as independent or "emancipated" and thus free of parental control and the intervention of child welfare authorities.

We believe that there is no justification for automatic exclusion of self-employed people, those with regular employment, and applicants without an address. People *in need* in these situations should be eligible for assistance.

In the case of 18- to 20-year-old non-disabled applicants living in their family homes, we believe that these people should be eligible in their own right. It is wrong to force them to leave the family and the support it may be providing in order to establish their right to be seen as independent adults, which they already are under the law.

RECOMMENDATION 2

Applicants 18 to 20 years old who are living in their family homes and are in need should be eligible for social assistance in their own right.

Currently, 16- and 17-year-olds living outside the home are ineligible unless the welfare administrator decides that exceptional circumstances exist. No criteria for this decision are established, so practices vary widely from municipality to municipality, and even from worker to worker. In some cases, municipalities have established restrictive rules that limit eligibility to a very few applicants. In addition, family resources are sometimes taken into account if the child who has left home has not "withdrawn from parental control".

At stake in this issue is not only the principle of need but also parental authority and the protection of young persons who may be at risk, either within the family or out on their own. We propose a special approach to the opportunity planning that such young persons should be expected to take part in when they seek social assistance. However, we do not believe any justification exists for a rule that begins with the assumption that they are ineligible despite their financial need.

With respect to whether the child has "withdrawn from parental control", this is a term taken from family law. Not only is it vague and imprecise, but it requires an artificial determination of who is at fault when a family crisis leads to a child leaving home. The fault concept should no longer have a place in family law; it is equally unhelpful in social assistance as a determinant of when broader family resources should be considered.

RECOMMENDATION 3

Applicants 16 and 17 years old who are living on their own should be eligible for social assistance, subject to a special approach to opportunity planning.

The exact nature of the planning, as well as the young person's obligation to take part in it, is discussed in Chapter 5.

One of the initial conditions of eligibility for social assistance is that any applicant must be a resident of Ontario. Over the years, residency has been defined in terms of the applicant being "ordinarily" resident in Ontario. Actual residence in the province along with permanent resident status have generally been sufficient to meet this requirement. Problems have arisen, however, with people who are claiming refugee status and who are permitted to remain in the country until their refugee claims have been settled. Such people fall into one of two categories: out-of-status and in-status refugee claimants. Some people who come to Canada are designated "out-of-status"; they are considered to be neither visitors nor permanent residents. The difficulty is that the refugee determination process is extremely slow, sometimes taking many years. During this time, refugee claimants are ineligible to work in most instances. Not surprisingly, many are placed in the position of having to apply for social assistance.

Until a recent decision of the Divisional Court, out-of-status claimants were often denied eligibility for social assistance because they were not considered residents of Canada. The court held that a person could not be presumed ineligible by reference only to his or her immigration status.[5] Out-of-status claimants are now generally considered eligible for social assistance. On the other hand, in-status applicants, who hold visitor's visas, are sometimes turned down for social assistance on the basis that they are visitors (remaining, in some senses, residents of another country) until they no longer hold the visa. These claimants are in a classic catch-22 position: they cannot work, nor are they eligible for social assistance.

We understand the difficulties involved in permitting people whose status is so unclear to participate in the labour force and to receive financial and other social supports before the legitimacy of their claims is established. Yet the present situation is intolerable. We believe that a person who is permitted to remain in the country but is caught in a procedural delay that he or she cannot control deserves the protections we would accord any other resident of this province.

RECOMMENDATION 4

Refugee claimants in need should be considered eligible for social assistance without regard to their immigration status.

If the federal government is not able to reduce the length of the determination process, it seems inappropriate to deny such claimants access to the labour force, forcing them instead to rely upon provincial social assistance. If work permits are not granted, then we believe there exists good reason to seek a more favourable cost-sharing arrangement with the federal government for the social assistance provided to refugee claimants.

RECOMMENDATION 5

The federal government should be urged to issue work permits to refugee claimants while the validity of their claims is being established.

The federal government is currently considering Bill C-55, which would greatly alter the determination process. A two-stage proceeding would be introduced. The first stage would be completed quickly; only if the applicant's claim appeared to have merit would the matter continue to the second stage. We support measures to speed up the present slow procedures, although we also note that the bill in question has generated a great deal of criticism from individuals and groups who believe that by turning claimants away at such an early stage, Canada may be returning people to high-risk situations. We have considered how access to social assistance should change if Bill C-55 is passed.

RECOMMENDATION 6

With the new procedures envisioned by Bill C-55 in place, claimants should be eligible for social assistance on the basis of need, pending the first level of adjudication. If the matter then moves on to the second level of adjudication, eligibility should continue until a final determination has been made.

Finally, lack of understanding and poor communication among the three levels of government about the assistance available to refugee claimants have contributed to the problems facing those with immigration difficulties. A common message throughout the consultation was that people in need were often caught up in the confusion that reigns when issues of immigration policy are at stake. We believe that much can be done to foster open and timely communication among all three levels of government and to ensure more consistency in the application of policy at the front-line level to refugee claimants who seek social assistance.

With regard to children not attending school, who are currently ineligible for FBA, we believe that need should be the only criterion for assistance. Although we agree that school attendance is important – and we will support later in this report measures to keep young people in school – we do not believe that the social assistance system should be used to deny basic financial support to families with children as a means of accomplishing this separate objective. We strongly oppose any copying of recent attempts in the United States to enforce school attendance through what is being called "learnfare".[6]

RECOMMENDATION 7

A child's failure to attend school should not be considered grounds for ineligibility.

The last major example of automatic ineligibility concerns persons in legal strikes or lock-outs. Because the case of the striker illustrates many of the dilemmas inherent in automatic ineligibility, more should be said about this situation. A strike is a last-resort test of power between a group of employees and an employer. It involves a voluntary collective withdrawal of labour on the part of the employees. Strike pay is available in most of the larger unions – perhaps 90% of strikers get some strike pay – but the amounts are usually calculated at subsistence levels of perhaps $50 or $100 a week, varying with the number of dependants. In the absence of personal savings and spousal income, need can rapidly become acute.

At present, only emergency assistance may be provided under GWA to strikers or to those locked out, unless a letter of resignation is presented to indicate formal separation from the dispute. The maximum payment of two weeks' benefits is technically not renewable, although this rule is occasionally waived in practice. Some families separate temporarily so that the spouse and children can draw full GWA benefits.

Practices vary widely in jurisdictions outside Ontario. In some, strikers do qualify if they are in need. In others, family members may qualify although the striker is excluded. We believe that our broad eligibility principle supports meeting the needs of family members.

The committee was unable to agree on whether individual strikers should be eligible on the basis of need. Some believed that our eligibility principle should extend this far. Others felt that providing assistance to strikers would alter the dynamics of strike action and would increase public intervention into what is essentially a private bilateral dispute. It should also be noted that during our public hearings neither management nor labour urged changes to the existing rules.

RECOMMENDATION 8

With the possible exception of those involved in labour disputes, no resident of Ontario should be automatically ineligible for social assistance. Applications should be assessed on the basis of need alone.

Eligibility by Category

As an applicant is processed through the social assistance system, the amounts and the forms of benefits are substantially influenced by the category into which he or she is placed. At present, there are 17 primary categories of eligibility under FBA and 5 under GWA. The various categories reflect perceived differences in needs – for example, disabled people are assumed to have greater needs than others.

Categorical eligibility developed historically as a way of extending benefits to populations not previously covered. The major elements of the system were developed during the 1950s, as benefits were extended more widely under a number of separate statutes (see Chapter 2 for examples). Although many categorical programs were amalgamated into the General Welfare Assistance and Family Benefits Acts in 1967, the principle of eligibility by category remained, as did the bewildering complexity of the category system. We believe that many of these distinctions could be removed in the interests of a fairer and simpler system.

In designing a simpler system with fewer categories, we began by recognizing that categories may exist for two broad reasons: demonstrable differences in need between distinct populations (for example, disabled and non-disabled persons); and reasons unrelated to need, such as promotion of various social values and objectives – in other words, to reflect the perception that some client groups are more deserving than others.

Perhaps, in the best of all possible worlds, there would be no need for categories, because each client's basic and special needs would be met through a flexible and sensitive allowance structure and delivery system. We recognize, on the other hand, that such a system would produce major administrative difficulties, procedural complexity, and unfairness as workers tried in vain to recognize the unique characteristics of each applicant by reference to what would be a bewildering list of special needs. Categories are necessary to make the system workable.

Categories based on broad differences in need are justifiable; similarly, distinctions should be made among different groups of recipients when determining the sorts of opportunities to be offered to them and the circumstances under which their participation in opportunity planning (see Chapter 5) would be mandatory. However, we strongly reject the maintenance of distinctions that reflect differing social values and moral judgements about people.

When the 22 existing categories are examined, it becomes clear that the social assistance system retains a "hierarchy of deservedness". From the evidence of actual benefits paid, blind and disabled persons, along with their families, are deemed most deserving, while young people and those who are considered employable rank as least deserving.

Families headed by blind persons receive the highest level of benefits and enjoy the highest asset limits and the highest earnings exemptions. Blind people do not have to seek employment, although if they do work they are not automatically excluded from assistance after an arbitrary number of hours worked, as are single parents. They are not subject to employability testing, as are employables, and 18- to 20-year-old blind recipients can live anywhere, unlike other 18- to 20-year-olds, who cannot receive benefits if they live at home. Self-employment does not disqualify blind people, as it does other applicants; there are no waiting periods for eligibility, and no level of discretion can affect their entitlement.

Young, single employables, on the other hand, receive the lowest possible level of

Voices

St. Marys and District Association for Community Development

There are programs for people who are unemployed, sole support parents, aged, people who have health concerns, are handicapped or disabled. The problem with this structure for social assistance and grouping of people by category is that it reinforces "the problem" and the "label." From the perspective of the community, a stigma is created which devalues people. Ultimately both the community and the recipients of assistance accept the identity thrust upon them of "welfare bum," "ghetto inhabitant" or "unemployable." It is not surprising that people lose the expectation to be contributors to the community that surrounds them.

Canadian Union of Public Employees, Ontario Division

In one case, a mother's budget dropped from $600 (FBA with son) to $279 as a single on GWA. The client has sugar diabetes and although she has prepared herself for the future with a college diploma in journalism, she has been unable to work. Her sugar level is constantly fluctuating. Mothers who are coming off FBA face a drastic drop in budget, loss of economical housing and often aging, poor health, poor education, etc.

Ottawa and District Labour Council

The present welfare system focuses on the individual's particular circumstances, and not on society's contribution to those circumstances. The individual is assessed as to how worthy they are of receiving benefits. If they are not so worthy, they are "punished" with lower amounts of money.

allowance, may retain only a low level of assets (if any), and are subject to the lowest earnings exemptions (if any). They can be refused assistance if they show a poor work history and unwillingness to take training. To receive assistance they must look for work or go to school; or they may not be eligible at all if they are living at home.

We do not wish to suggest that disabled persons do not deserve a preferred status based on additional need. Rather our concern, as noted earlier, is that the minimum possible use should be made of approaches that involve mixing express or implied value-laden or moral judgements with the determination of need. To the extent that the needs of disabled persons – or any other group, for that matter – are demonstrably greater than those of another category, such recipients should have a presumptive entitlement to a higher level of benefits. The question becomes whether the higher benefits currently given to disabled persons accurately reflect their higher levels of need.

Many of the other differences reflected in the "hierarchy of deservedness" are less amenable to rational explanation. A 60- to 64-year-old woman receives almost twice as high a benefit as a man in the same age category. This perhaps reflects the historical view that men have a greater obligation to work, but today the differentiation can only be described as overt sexual discrimination. As noted earlier, unwed, separated, and deserted mothers face a three-month waiting period for FBA, while there is no such requirement for divorced or widowed single mothers. Whatever social labelling may have been thought appropriate in an earlier era to distinguish between circumstances over which it was felt one had control and those over which it was felt one did not, there is no longer any place in the social assistance system for such distinctions.

RECOMMENDATION 9

In the short to medium term, the number of social assistance categories should be reduced to three:

- **handicapped persons;**
- **people in need who must respond to an offer of opportunity planning;**
- **people in need who are encouraged but not required to respond to an offer of opportunity planning.**

This reduction in the number of categories is made on the assumption that several other recommendations made in this chapter will be adopted. These include the merging of the three definitions of disability now found in Vocational Rehabilitation Services and social assistance legislation; a shift of emphasis from "disability" to "handicap" (see "A New Definition", below); and the removal of the Handicapped Children's Benefit and the foster parents' benefit to another legislative base.

The major task of collapsing the number of categories is largely mechanical. The first step is to identify the large number of minor rules that distinguish one category from another. It is not our intent in this report to provide a manual to achieve this end. However, some areas that need to be addressed in order to reduce the number of categories can be briefly identified: levels of allowances, asset ceilings, earnings averaging periods, levels of allowable earnings, pursuit of support, conditional eligibility, waiting periods, and levels of discretion.[7]

Definitions of Disability

At present, the social assistance system has two definitions of disability (aside from the definition of blindness) that qualify people for long-term (FBA) benefits on medical grounds. The first definition describes a disabled person; the second relates to persons described as permanently unemployable. (A third definition is used in the VRS program.)

In practice, both definitions require that the applicant's qualifying condition be permanent in duration and medical in nature. The distinction between the two definitions is in severity; conditions that meet the criteria for permanent unemployability for medical reasons are generally seen as less severe than conditions defined as disabilities, which restrict activities related to normal living. Because the definition of permanent unemployability is less restrictive but triggers the same level of benefits, it is the definition currently most used. Throughout this discussion our reference to disabled persons is meant to cover persons in both groups.

We believe that a separate category ought to be retained in social assistance for disabled persons. This is one of the few categories where a distinction can be made on the grounds of need. It is clear to us that disabled persons have additional needs that ought to be recognized within the social assistance benefit structure. For the system's treatment of disabled people to be administratively workable, some of these needs must be recognized within the basic allowance. Accordingly, an operative definition of disability is a necessity. This is a task of major importance, for we have reached the conclusion that a crisis exists with the present definitions.

Transforming any set of criteria into a viable definition is one of the most difficult and elusive tasks facing those who design programs for disabled persons. This is illustrated by the broad range of definitions used in programs across Canada, and the growing recognition of the subjectivity of the decision, regardless of the particular language and procedures adopted. With any definition, "there is a constant struggle over the boundaries which manifests itself in shifting pressures for expansion and contraction of the disability category."[8]

The reasons for this are many. Clinical judgement, even when directed solely at the question of impairment, is far from uniform and objective. For instance, there is wide disagreement within the medical profession about when environmental factors cause disability. Variation and uncertainty exist regarding the role or roles against which capacity is to be measured. Pressures emanate from the courts, advocacy groups, and disabled persons themselves to expand the group of persons seen as disabled.

Several additional concerns are raised by the definitions of disability in Ontario's social assistance programs. In practice, both definitions are read as requiring that a qualifying disabling condition must be permanent. This has two effects. First, it excludes persons who are profoundly disabled but whose condition may not be permanent,

Voices

Recipient	*Your doctors feel that I am employable but my doctor says no. It seems peculiar that I receive a disability pension from the federal government and yet I cannot qualify for medical benefits from social assistance.*
Social Workers of the Thunder Bay Social Services Department	*There is a gap in service to the "Fall in the Crack" people – those who are socially unemployable, those with little or no education, ex-bush workers, mentally ill, functionally disabled and handicapped in so far as social and environmental limitations are concerned.*
J.W. Aldis, MD, Medical Adjudicator, Toronto	*There is inherent difficulty in transposing diagnoses such as "impaired, handicapped and disabled", which are medical and definable, to a condition such as "permanently unemployable" which is not medical and harder to define.*

such as persons suffering from schizophrenia, which is a cyclical condition; the dimensions of this problem may be illustrated by the fact that 38.4% of recipients in the so-called "temporary ill health" category have been there for 18 months or longer. Second, it discourages recipients from making efforts to prepare for and find employment, because the decision that a disabling condition is permanent – especially when linked to a determination of unemployability – seems to rule out the very possibility of work.

The rate distinction between disabled and non-disabled persons is unjustifiably large and creates enormous pressure for applicants who expect to need long-term assistance to have themselves defined as disabled. There is no class of benefits designed to meet the needs of people who may not be medically disabled but who are likely to be receiving social assistance for a longer period of time owing to other impediments. There is a large and growing number of such longer-term and near-disabled persons in the GWA program. Because municipalities are obliged to share in the funding of such longer-term recipients, they exert a constant pressure on the provincial government to accept these clients into the only category of assistance within the longer-term FBA program for which they might qualify. In other words, a needy, long-term unemployed person with a variety of social and emotional impediments, along with some minor medical problems, has virtually no place to turn for adequate long-term income support except the FBA disability category. He or she remains trapped on a program that was designed for those with short-term financial needs.

One result common to all social assistance programs for disabled persons is that external economic conditions help to define the boundaries of the definition of disability, particularly when the finding that one is disabled is the sole means of access to an allowance that approaches adequacy.

In fact, the medical condition or disability that affects a person's ability to perform a particular activity may depend upon a variety of non-medical factors. The current determination process, however, relies solely on medical findings with no mechanism to evaluate non-medical factors such as labour market conditions and the age of the individual. A "medical" decision that cannot take these factors into account explicitly is nonetheless based upon undisclosed discretionary judgements regarding the abilities of individuals to perform particular roles. This lack of clarity in the definition creates great difficulties for the professionals asked to assess individual applicants.

Major shifts have occurred in the profile of disabled recipients within the social assistance caseload over the past 20 years. First, this group has been increasing much faster than the overall population. For example, the number of disabled recipients of assistance was approximately 30,000 in 1972, but close to 80,000 in 1987 – an increase of 167%. Although not all the ramifications of this increase are clear, it is apparent that greater demands have been placed on the system, and that non-medical factors are playing a role in the disability determination process. Second, the characteristics of the clientele are rapidly changing (see Chapter 2), at a time when attitudes among the public and disabled persons themselves are evolving. The result of these changes is a younger clientele for whom rehabilitation and labour-force participation are often feasible.

The inevitable outcome is confusion and frustration. The number of disabled persons in the caseload is increasing dramatically while the definitions are seen as unclear and unfair. Moreover, the definitions themselves imply that disabled recipients have no expectation of remunerative employment, a limitation that is simply no longer valid.

A New Definition

We believe that a whole new direction in the approach of the social assistance system towards disabled persons needs to be taken. We have reviewed a variety of approaches taken in various jurisdictions.

RECOMMENDATION 10

A new definition – "handicapped person" – should replace the cur-

rent definitions of permanent unemployability and disability. The new definition should endorse the concept that a handicapped person is one who is handicapped as a result of an impairment and a disability (as defined by the World Health Organization) for a prolonged period of time.

Adoption of the World Health Organization (WHO) nomenclature would replace the current criteria of permanence, medical nature, and severity with a system that would define eligibility in terms of losses, abnormalities (impairments), inability to perform activities (disabilities), and inability to perform roles (handicaps). These three components are defined as follows:

- *Impairment* means "any loss or abnormality of psychological, physiological, or anatomical structure or function."
- *Disability* means "any restriction or lack (resulting from an impairment) of ability to perform an activity in the manner or within the range considered normal for a human being."
- *Handicap* means "a disadvantage for a given individual resulting from an impairment or disability that limits or prevents the fulfilment of a role that is normal (depending on age, sex, social and cultural factors) for that individual."[9]

We believe that the existence of a medically established impairment should remain a threshold requirement. The resultant functional disability should be of some severity and of a prolonged nature. Assessment of how the disability has handicapped the individual applicant should focus upon work-related measures and those roles with cost implications that justify a higher basic allowance. Non-medical factors that help determine whether a given person in given circumstances is handicapped should play a role in the decision-making.

RECOMMENDATION 11

The Ministry of Community and Social Services should draft general standards and guidelines for the new definition, in consultation with the Ontario Medical Association and others.

Whatever group takes on this task could also perform the valuable service of preparing information for the medical community at large regarding the medical aspects of the new disability determination process.

In recommending the WHO nomenclature, we are not attempting to recommend a definition that is more or less lenient than the current definition. Rather, we are attempting to suggest new components for the definition that deal directly and realistically with the role that applicants for these benefits fulfil in society. Use of the WHO classification system was also proposed by Dr. R.A. Farmer in a 1982 report.[10] It is increasingly being recognized as a sound framework for the gathering of information for the disability determination process.

No definition will ever be totally satisfactory. Tension will always be present in the system, regardless of the wording that is chosen. However, we believe that an approach based on WHO nomenclature represents a major improvement over the present system, which in essence accepts medical judgement about impairment as a proxy for a finding of disability.

As described in Chapter 7, the process of determination will become much more explicit and visible with this new approach. There would be a better understanding of the doctor's role and a clear recognition that, at the boundary lines, medical judgement must be merged with an interdisciplinary assessment that includes asking how non-medical factors have contributed to the individual's handicapping condition.

Three factors should be weighed against the risk of substantial new caseload growth under the new definition. First, substantial growth has already occurred over the past 15 years. Factors other than strict medical criteria are now being looked at by medical practitioners and the Medical Advisory Board. Second, the determination that one is handicapped will no longer be permanent in all cases; the process will allow for periodic review where appropriate. Third, once the concept of permanence is removed from the definition and non-medical factors are recognized, some recipients will be able to benefit from rehabilitation of various kinds, leading eventually to their independence. In fact, the new definition largely conforms with the one now used to determine eligibility for Vocational Rehabilitation Services. We believe that any expansion of the caseload that may occur as a result of formally recognizing non-medical factors would be offset by the fact that, with planning and support, many recipients will no longer remain part of the system indefinitely.

These recommendations should go a long way towards resolving the definitional problems that now plague the present program. We understand that the World Health Organization standards may appear somewhat complex to the lay person. However, we have been assured by a number of health professionals and by the Ontario Medical Association that these standards are widely understood and accepted by those who would be expected to work with them on a daily basis.

The new social assistance system will reduce the financial incentive to meet the "handicap" definition in two other ways. As the basic allowance moves towards adequacy, the financial impact of failing to meet the definition will be smaller. Secondly, the allowance for handicapped persons will be kept at a reasonable level by defining a number of special costs as mandatory special needs.

Throughout the review, we encountered people who were seriously handicapped and yet had failed to meet the clinically based definitions that now exist: the single middle-aged woman whose children have left home and who, although her medical problems were not severe, was clearly unable to enter the labour force at this stage of her life; the impaired person with serious social and emotional difficulties who had received GWA for years; the person who had been diagnosed as either environmentally ill or emotionally disturbed, but who had been excluded from assistance because of medical disagreement about which diagnosis was the right one. At the same time, we encountered people who had been found disabled and then "pensioned off" with no attention given to the opportunities that they could have been assisted to achieve. We believe that use of the World Health Organization terminology, coupled with a process that recognizes that much more than a clinical judgement is needed, should increase the likelihood of appropriate decisions that identify those who are truly handicapped, while still seeing them as potential contributors to the communities in which they live.

TEMPORARY DISABILITY

Those who are temporarily impaired should be treated as people in need, with the impairment considered as a factor in the determination of when and how they are helped to leave social assistance. Such persons may also qualify for special-needs benefits, as discussed below.

RECOMMENDATION 12

The category of temporary unemployability for medical reasons should be eliminated.

A person who is not working or pursuing other opportunities because of a temporary medical impairment (for example, a broken leg) should have this situation assessed within the opportunity planning process described in Chapter 5. We believe that this recommendation is workable, as we are also recommending that there be no rate differential between employable people. On the other hand, the controversial issue of long-term recipients who are now classified as temporarily unemployable should be resolved by the merger of the GWA and FBA benefit structures and the removal of permanence as a criterion for eligibility for disability benefits.

VOCATIONAL REHABILITATION SERVICES

With the removal of the criterion of permanence from the disability determination process, it is all the more urgent that disabled recipients be linked to rehabilitation programs. Throughout the public hearings and in our later meetings, we became more and more concerned about the lack of any form of active liaison between social assistance and Vocational Rehabilitation Services (VRS). In essence, the programs, although both are within the Ministry of Community and Social Services, are separate entities. Only 3% of disabled FBA recipients are active participants in the VRS program.

RECOMMENDATION 13

The definitions of disability (or handicap) within social assistance and Vocational Rehabilitation Services should be the same.

Once the two programs are linked, the VRS program will be able to function as an effective means of identifying the opportunities available to disabled social assistance recipients and then assisting them to obtain the services and supports they need. How this should be done is described in Chapter 5.

RECOMMENDATION 14

To further promote congruence between the two systems, the second-residence benefit should be made available to all disabled recipients of social assistance in the same way that it is available to VRS participants.

RECOMMENDATION 15

The minimum age of eligibility for social assistance as a disabled person should be lowered to age 16.

Extending the second-residence benefit will allow all disabled recipients to have their accommodation paid for when they undertake an assessment or training program away from home. The lower age threshold brings social assistance in parallel with VRS. Unemployable people living at home at age 16 are now eligible only for GWA benefits in their own right and are therefore forced to collect lower benefits for two years.

The process by which the determination of disability is made is discussed in Chapter 7.

Foster Parents' Benefit

The foster parents' benefit (also known as the foster care program) is one of the oldest parts of social assistance legislation. This program, which is separate and distinct from the foster care programs administered by Children's Aid Societies, was first introduced into the Mothers' Allowances Act in 1921. The original purpose of the benefit was then much as it is today: to help defray the costs of raising a child who is not one's own.

In practice, the benefit is used by relatives and friends who, on an informal basis, take over the care of a child for an indefinite period of time. The benefit has been restricted to this target group on the assumption that other foster care placements fall within the child welfare system administered by Children's Aid Societies (CAS). No needs test is applied to the child's parents, although a needs test is applied to the child and foster parents are requested to seek support from the natural parents where such support may be available.

In the absence of a clear program direction, the Ministry of Community and Social Services undertook and made available to us a policy review of the foster parents' benefit. It defined the tacit objectives of the program as follows:

- to provide financial assistance to people who voluntarily assume responsibility for the care of a child whose parents are either unable or unwilling to care for or support him or her;
- to help keep such children within their extended family or within a familiar environment; and
- to prevent children from becoming in need of protection and requiring more intrusive and expensive state-sponsored care.

We agree with these objectives. In particular, this benefit represents an important means of implementing our family support principle and the values underlying recent legislation such as the Child and Family Services Act.

Throughout the public hearings and in the submissions, three major problems were raised in relation to this relatively small part of the social assistance legislation (covering 5,000 children). First, this important program still suffers from a lack of policy focus. Because it is virtually unmentioned in the legislation, no attempt has been made to articulate publicly the policy objectives against which the program should be measured.

Second, there is uncertainty about what role the government, through the social assistance system, should play when providing a foster parents' benefit. It can be argued that there is some obligation to ensure that the funds are being spent on a placement that is good for the child. Administrators told us that they feel this obligation, but have neither the expertise nor the mandate to perform such a role. There exists a clear and established obligation for the government, through Children's Aid Societies, to ensure that children placed within the CAS foster care system are provided with high-quality care. Does the payment of a foster parents' benefit in itself require that more be done on the child's behalf? We know very little about how well or badly these children fare; we did learn of a few poor placements, but these reports were anecdotal.

Third, social assistance foster care rates are slightly higher overall than social assistance rates for children, yet significantly lower than CAS foster care rates. The differences in these three rate structures have been widely criticized, because greater value appears to be placed on the parenting function when it is not being performed by the natural parent.

RECOMMENDATION 16

The foster parents' benefit should continue as an established family support program. The objectives and criteria for the program should be clearly established within legislation.

With respect to government's role, payment of money to help third parties care for children placed voluntarily with them should not, in itself, require or justify further government intervention. We do not oversee the care poor people give their children simply because they are poor or seek financial help. On the other hand, if the child has been found to be at risk and is placed by the state in substitute care, the obligation properly goes well beyond the payment of money. The state has this obligation not because it pays the money but rather because of the special trust it assumes when it takes on the care of a child in need of protection.

In the absence of good evidence that, as a group, children in this program are "at risk" in their placements, the foster parents' benefit does not call for the kinds of standards and overall monitoring required within the child welfare system. The justification for a separate process, a separate means of state intervention, has not yet been established.

On the other hand, we see no reason why the child welfare system should not respond here as it does elsewhere. The fact that a foster parents' benefit is being paid through social assistance does not diminish the CAS's obligation to respond where concern exists about the care a child is receiving. During the course of our review, we heard evidence that Children's Aid Societies have not always responded well to concerns expressed by social assistance administrators. To the extent that this allegation is true, the situation is unacceptable.

RECOMMENDATION 17

Special measures to monitor the care of children for whom foster benefits are paid are unnecessary. However, the government should take such steps as are necessary to ensure CAS involvement where serious concern exists about the care a child is receiving.

CAS foster care rates can and should be higher than social assistance rates, because once the state takes on the care of a child, rigorous and exacting standards of care come into play and resources must be made available to enable these to be met. In making this argument we are not commenting upon the adequacy of the rates that are presently paid, nor are we suggesting that this justifies inadequate rates for biological parents or those receiving the foster parents' benefit. Rather, we simply accept the policy argument in favour of higher rates in the child welfare system.

However, we see no reason why the rates paid by social assistance to biological parents should be any different from those paid through the foster parents' benefit. Both should be adequate and both should support the parenting role fulfilled by parents or by a child's extended family. No incentive should exist to place one's child in a foster family for financial reasons alone. The children's benefit proposed in Chapter 3 would provide the same level of benefit to both biological and substitute parents.

As the system moves towards a merger of the two rates, we feel that in the meantime the foster parents' benefit should remain as high as possible, to support the involvement of the extended family in child care. The allowance might even move more quickly to adequacy than is suggested in the staging process described in Chapter 11. A higher payment to substitute parents during this interim period should reinforce the value of the program, but should not function as a major incentive to place children inappropriately. It recognizes that someone is accepting an important obligation towards a child, usually at a time of crisis, although no legal requirement to do so exists.

The foster parents' benefit should be removed from social assistance legislation and placed within child-based legislation such as the Child and Family Services Act. We do not suggest this approach in order to encourage greater intervention into the substitute family. But the foster parents' program is not a needs-based benefit for poor parents; it is a family support measure and should be treated as such in legislation.

Wherever the benefit is placed, there is another reason to encourage effective co-ordination between this program and the child welfare system. Effective use of the foster parents' benefit, possibly with supplementary funding and services, can be an effective tool in preventing children from requiring the protective services of the CAS. A close working relationship between Children's Aid Societies and social assistance could be important in implementing a family support policy that makes good use of the extended family.

We have been advised that the foster parents' benefit could be a highly effective way to promote "customary-care arrangements" within Native communities. We strongly support such arrangements as an alternative to the traditional child welfare system. However, rather than funding them through the social assistance system, we believe these placements should be supported and funded through child-based legislation that supports unique Native approaches to the care of children. Because payments at higher levels could be required, the program is perhaps best provided for and funded through such other legislation.

RECOMMENDATION 18

Foster care rates paid by the child welfare system should remain at higher levels to reflect the unique standards of care within that system. Social assistance rates and foster parents' benefits should be uniform and adequate. The present disparity in rates should be maintained until adequacy is reached, in order to maintain the role of the benefit as a family support measure.

RECOMMENDATION 19

The foster parents' benefit should be removed from social assistance legislation and authorized through child-based legislation such as the Child and Family Services Act.

Handicapped Children's Benefit

In our discussion of categorical eligibility above, we omitted mention of the Handicapped Children's Benefit (HCB) program, which is currently part of the FBA allowance structure. We consider HCB a program that should not be part of social assistance legislation. Its purpose is to help low- to moderate-income parents defray the extraordinary costs associated with raising a handicapped child. The purpose of social assistance is very different.

The HCB program was first announced in 1977, and as we understand it, the Family Benefits Act was employed because it was one of the few pieces of legislation that authorized direct payments to individuals. We understand that the government originally intended to review the HCB program for possible removal to a more appropriate piece of legislation.

The current benefit structure calls for the payment of up to $300 a month to the parents of a handicapped child. The financial test administered to the parents is similar to the income test for the child tax credit program. In order to be eligible, the child must have a functional loss, and the possibility must exist that should funds not be available, the child might be placed in an institution.

The Ministry of Community and Social Services is considering the integration of HCB with the Special Services at Home program. This program provides individualized funding, without financial testing, for a broad range of developmental and support services that assist families in caring for their handicapped children at home. We believe that having these two programs separated, in both legislative and administrative terms, does not make sense. In fact, some ministry offices have overcome the present legal and administrative barriers and have made moves to integrate the delivery of these two programs.

There are two impediments to a complete merger of these two programs. HCB serves all handicapped children, while Special Services at Home serves only developmentally handicapped children. Second, HCB is financially tested, while Special Services at Home is not.

It is also important to note that the government intends to extend the Special Services at Home program to developmentally handicapped adults. Although we understand the reasons underlying this extension, we would argue that the service needs of disabled adults should be met through mainstream programs. In Chapter 6, we discuss in detail the use of a broadened VRS program as the single point through which recipients can obtain services provided by mainstream jurisdictions.

RECOMMENDATION 20

The Special Services at Home program and the Handicapped Children's Benefit program should be integrated under the Child and Family Services Act, and the new program should be delivered as one program. The new program should be available to all handicapped children. The Ministry of Community and Social Services should proceed quickly to effect the integration of the two programs.

We have no objection to the continuation of a broadly based income test, which ensures that the program is delivered to those who would otherwise experience financial difficulties in providing for the extraordinary needs of their children.

Defining the Benefit Unit

The next stage in the eligibility process defines "who" the applicant is by determining his or her place within a family unit – that is, as a single person, family head, spouse, dependent adult, or child.

Until recently, there has been little controversy surrounding the definition of the social assistance benefit unit. Authorities relied on the nuclear family as the acceptable family structure to provide a set of well-defined rules for determining the benefit unit. For example, under social assistance, a household with two single mothers and their natural children would be divided into two families for benefit purposes. A man and a woman with two children and one set of elderly parents would be considered two benefit units. A married couple with two children would be defined as one benefit unit.

Problems surface when family-based rules are imposed on people who live together

Voices

Diane Bellam,
MCSS Worker, Kingston

I witnessed families being broken up because as a family they couldn't survive financially on the wage earner's meager income and the government wouldn't assist them because they were just a little too high to qualify on their monthly income. They couldn't qualify for even a limited assistance package if they stayed together, but if they separated they could get the whole ball of wax. Now, if there are two children and each spouse claims one, they both qualify as long as they don't reunite the family. What incentive is there for these people?

Karin Long,
Social Worker,
Home Care Program,
Kingston

Disabled persons, with a spouse, are often dependent on the spouse for assistance with personal care such as bathing, dressing and toileting; the spouse is also frequently responsible for household management, (cooking, shopping, maintenance, etc.) and, in addition, the spouse is expected to financially support their disabled partner. There is little recognition that this spouse may be preventing the institutionalization of their marital partner and the high costs of such care. The ceiling level for joint family income under Family Benefits eligibility criteria is so low that most disabled persons with spouses who work are not considered eligible for disabled benefits. This adds to their sense of guilt and helplessness in the family situation and poses additional strain in the marital relationship.

but do not see themselves as families. Alternatively, some people do see themselves as families but do not believe that the existing family-based rules are appropriate. A good example of a family-based rule being imposed upon people who do not believe themselves to be a family for social assistance purposes was the "spouse in the house" rule. Under this rule, a woman became immediately ineligible for assistance when a man moved in with her, even though that man had no legal obligation to support her or her children. The second dilemma is illustrated by a disabled man or woman who marries and loses benefits because of the spouse's income. People in such situations often see themselves as part of a family, but they believe they should still be treated as individuals.

The determination of the benefit unit has become more controversial for several reasons. First, the "traditional" nuclear family is no longer the norm. Second, there has been a legitimate and growing emphasis on the rights of the individual and a concern for the vulnerability of some individuals within the family. Some would therefore restrict the family-based benefit unit definition to those relationships treated as families under the Family Law Act.

Others argue that the definition of the benefit unit should be severed from any family basis, legal or otherwise. All benefits would then be paid on an individual basis, with both the benefits and the income limits assessed in relation to each individual's circumstances alone.

The same issues arise in any income supplementation scheme or guaranteed annual income proposal that is needs-based or income-based; that is, in any program where benefits vary with family size and where income is assessed. In contrast, insurance-based programs such as unemployment insurance, CPP, and old age security are generally based on individual entitlement for benefits, without regard to other individuals within the household.

As we attempted to define the appropriate benefit unit for social assistance, it became clear that three essential issues must be resolved when recommending changes:

- the definition of the benefit unit itself (that is, individual or family);
- the manner in which family or unit size is recognized (that is, equal benefit levels for all members or lower benefits for each successive member); and
- the issue of who receives the actual cheque.

In defining the benefit unit, we quickly came to the conclusion that it would be wrong to reinforce strict nuclear-family-based rules that are outdated and discriminatory and that could revive the "spouse in the house" rule. On the other hand, we are concerned that a completely individual-based system would largely ignore the fundamental principle of need. For example, a truly individual-based system would ignore spousal income even when the spouse has resources and a legal obligation to support the applicant. In addition, such a program would be prohibitively expensive. We believe the answer lies in definitions that reflect those found in family law.

RECOMMENDATION 21

The Family Law Act definitions of "spouse" and "parent" should be used in determining the social assistance benefit unit.

In practice, this means that, in determining benefits, the income and resources of the family would be taken into account where the co-resident of an applicant is defined as a spouse under family law. Alternatively, where the co-resident is not defined as a spouse, only individual resources would be taken into account. A couple would not be considered a family until a clear support obligation between them has been incurred under law, at which point their incomes would be treated as shared. This approach should guide social assistance as well as the income supplementation program proposed in Chapter 6.

Our reasons for choosing the family-law-based definitions are contained in our earlier report on the "spouse in the house" rule. We believe that family-law-based definitions meet a number of important criteria.

- They do not authorize broad and highly discretionary invasions of privacy.
- They are more precise and can be implemented fairly.
- They do not discriminate on such grounds as sex, marital status, or sexual orientation.
- They do not impose an unfair financial penalty on children.
- They do not produce unequal treatment of needy children within a family.
- They do not act as a disincentive to the formation of new families.
- They are administratively simple, enforceable, and financially realistic.

Difficulties may arise when legal support obligations are not being met, particularly when recipients are unable or afraid to leave relationships. The solution in our view is to expand social programs that assist abused spouses to extricate themselves from such relationships. But unwilling partners should not be excused from a formal requirement to contribute when their support obligation is clear. The social assistance benefit should continue to be calculated on the assumption that those adults in the family unit who are able and required to contribute will do so.

Our support of a family-law-based determination of need does create two further problems for the benefit structure, however. First, the present system contains a rate structure based on economies of scale, under which each additional person in the benefit unit receives a smaller payment than the person before. Thus, two people who form one benefit unit – a claimant and a spouse, for example – receive less than two single people. Considerable empirical evidence supports the existence of such economies: housing and food costs for a unit of two are undoubtedly less than those faced by two single persons. One obvious difficulty with this approach is that it discourages the formation of familial relationships, which runs counter to our support for the family.

RECOMMENDATION 22

A couple should receive the same benefits as two individuals.

This is one of the areas where two strong principles – in this case, those of need and family support – conflict with each other. However, in this instance, we can remove a major disincentive to family life without seriously violating the principle of need.

The second problem relates to the treatment of children. Changes are required in order to recognize that the total number of persons in a family is a greater determinant of need than the family's composition – that is, whether the family includes one adult or two. This approach is paralleled in some other programs; for example, federal income tax laws include an "equivalent to married" exemption for the income of the oldest child in a single-parent family.

RECOMMENDATION 23

In a one-adult family, the first child should receive the same benefit as the second adult in a two-adult family.

Apart from the exception above, we find it acceptable that children receive lower benefits than adults. It is also acceptable to give younger children lower benefits than older children; our proposals relating to age are discussed later in this chapter, in the section "Adequacy and the Allowance Structure". But the rate structure for children's benefits should not be based upon economies of scale. The amount of a child's benefit should not depend upon his or her order within the family.

RECOMMENDATION 24

The rate structure for children should assign the same level of benefit to all children in a two-adult family and to all children but the first in a one-adult family, with further distinctions to be based only upon the children's ages.

Another question raised often during consultation was that of who within the family unit is to be the formal applicant, to whom the cheque will be made payable. An answer should be found that helps to eliminate sexism within the social assistance structure.

RECOMMENDATION 25

Either spouse should have the option to be the applicant, according to the family's free choice. If the parties are unable to agree, the benefits should be evenly split between them.

Three exceptional situations deserve special consideration when defining the benefit unit. We believe that mothers under the age of 17 who live with their parents and 16- and 17-year-old disabled children who remain at home should be treated as separate individuals for purposes of the benefit unit, notwithstanding the ongoing support obligation their parents may have in law. We recognize the continuing high levels of need facing disabled persons and are reluctant to place this financial burden on their families. A sole-support mother should not have to leave her parents' home in order to qualify for benefits; her parents may play a positive supporting role at a demanding time in her life.

RECOMMENDATION 26

Mothers under age 17 and disabled persons aged 16 and 17 who remain at home should be treated as individual applicants.

Under the current family-based income rules used to calculate allowances, the level of need for the family as a whole is derived from the rate structure; then the resources of each member of the family unit are subtracted from this figure. The remainder, if any, is the benefit actually received. A family member does not have the choice of opting out of the benefit unit when it is in his or her financial interest to do so. With respect to adults, we have no quarrel with this requirement; however, if money has been set aside for a child's future needs, the rules now require that this amount be counted against the allowance of the total family unit. This rule may have the unfortunate effect of encouraging families to use in the short term money set aside for a child's future needs.

RECOMMENDATION 27

If any benefit other than child support accrues to a child and is then set aside for the child's future needs, this money should not be treated as income to the family.

Financial Testing

After questions of categorical eligibility and the appropriate benefit unit have been resolved, the system begins financial testing. The determination of financial eligibility largely rests upon the treatment of assets and income that accrue to the recipient, as well as upon the outcome of needs testing. Strictly speaking, this stage also includes the important question of whether entitlement should be conditional upon some other requirement; this topic is considered in Chapter 5, as part of the discussion of opportunity planning.

Social assistance is rationed to its recipients in a unique manner, in that all members of society are potentially eligible for it (unlike other statutory income security programs). Anyone who is eligible for social assistance must receive it, whereas other social services programs (for example, VRS, day care, and social housing) can ration benefits through unavailability of supply. In other words, social assistance never "runs out" of resources. This aspect of social assistance makes the role of financial testing crucial; it is the only way to set the limits of coverage under social assistance programs.

Historically, recipients have been permitted to retain some assets and income in accordance with narrow restrictions. Most recipient groups have been viewed as people permanently excluded from the paid labour force who needed long-term "maintenance", so it was therefore reasonable to treat social assistance as a last resort, to be claimed only after individuals had substantially exhausted their own resources. Today, the vast majority of clients are at least potentially in transition to some state of greater autonomy. A new approach is thus required to the treatment of both income and assets. To demand, for example, that self-employed workers or craftspeople liquidate the tools of their trade in order to run down their assets before they can receive assistance is inappropriate to the goal of fostering an eventual return to independence. An even more disturbing example is the requirement that farmers stop farming before they can qualify for any assistance.

Here again, the principles we have identified conflict with one another, at least in the short term. Equity, for example, requires that all clients in similar situations of need be treated the same way. In theory, a recipient with investments or cash in the bank, another who owns a house, and a third with no assets at all should be treated alike if they have the same needs. Under the present system, the owner of the house would be able to retain it and still receive benefits, while the person with investments would be required to liquidate them and run down all assets to the asset ceiling designated for his or her category. Some would argue that the system is unfairly subsidizing the homeowner, who is allowed to keep a sizeable asset that is increasing in value. But to maintain a residence, particularly at a modest scale, may be quite important for a widow if she is to maintain her self-esteem and dignity as she prepares for a new phase of life on her own. Access to some assets may be the key to a new beginning.

In these examples, short-term equity comes into conflict with the principle of aiding transition to autonomy. Under Ontario's social assistance programs, many recipients are now offered exemptions to the general rules regarding assets and income, in order to assist them in stabilizing their lives and establishing a greater degree of autonomy. The committee recommends even more exceptions that will further the goals of stability, autonomy, and transition. The tension between the principle of equity and these goals will often be short term, in that temporary inequities can lead to longer-term equity if recipients are able to leave the social assistance system entirely.

We have partly rejected the present view of social assistance benefits as offering only a minimum floor of income below which individuals will not be permitted to fall. Rather, we have been guided by the view that in any needs test, recipients should be permitted to either receive or retain those resources, within limits, that can lead to greater autonomy and independence in the future.

RECOMMENDATION 28

Financial testing should be liberalized to promote transition to stability and autonomy.

Needs Testing

There are three distinct forms of financial testing: assets testing, income testing, and needs testing. Social assistance uses all three tests. Many broader social programs, like the child tax credit and the guaranteed income supplement, use an income test alone, because it is simpler and less intrusive. Social assistance, as a program of last resort, has always departed from this pattern, because it alone must be targeted to meeting needs. Only through a needs test can the varying needs of families be properly assessed and met.

With a needs test, the needs of each applicant are calculated separately. Because needs vary with individual circumstances, needs testing produces different results from applicant to applicant. Like an income test, a needs test calculates available income, which is then subtracted from an established level of need, and the balance, if any, is paid as an allowance. This is called the budget-deficit method. A needs test normally assesses assets as well as income. Much of the methodology of needs testing is mandated under CAP, which is described in more detail in the section on federal-provincial fiscal arrangements in Chapter 10.

RECOMMENDATION 29

Needs testing should be retained as the principal method of financial testing. Efforts should be made to simplify the needs test and the application process.

Assets Testing

An asset is a present stock of wealth from which a stream of future income may be expected to flow. Just as limits are placed on other available income to ensure that social assistance is received only by those in need, so too must consideration be given to restricting the assets held by recipients. The issue here, then, is not whether asset limits must be set, but the extent to which assets should be taken into consideration.

Imputing value to assets is administratively a tremendously complex and subjective task. Income is easily quantified, but the task of identifying and then calculating assets is difficult and often arouses great conflict between recipients and workers, while contributing to the sense of intrusiveness. Nevertheless, the interests of both horizontal and vertical equity require that assets be incorporated into any needs assessment. Indeed, the decisions of other government programs, such as OHIP and the federal guaranteed income supplement (GIS), to refrain from considering assets have been criticized although they are commendably non-intrusive. To treat two recipients with identical incomes in the same way, when one has substantial fixed wealth and the other has not, has been seen as unfair; to give benefits to an individual who has little income and large assets while denying assistance to someone with greater income but no assets evokes a similar response. Underlying our recommendations is a recognition that the higher the asset limits and the more liberal the exclusions, the larger will be the social assistance caseload and the resultant costs of the program. Our task has been to devise an appropriately sensitive treatment of assets, bearing in mind the pre-eminent goal of aiding transition.

We do not feel it is either administratively feasible or fair to deem that a non-liquid asset is producing income when in fact it is not. Similarly, we do not feel that taking a lien on an asset such as a house (a procedure followed by legal aid in Ontario at present and by Manitoba's social assistance program in the past) is either feasible or desirable; this practice violates our eligibility principle.

ASSET CEILINGS

The current policy regarding asset ceilings is very much influenced by the requirements of the Canada Assistance Plan (CAP). In general this legislation leaves to the provinces the determination of what is or is not a liquid asset and allows them to establish their own asset ceilings. Individuals who hold more than this upper limit are not eligible for assistance. CAP, however, sets a ceiling for cost-sharing purposes on the value of assets that may be held, and if a province sets a ceiling above CAP limits, no portion of assistance is sharable between the federal and provincial governments. At present, liquid-asset ceilings are $2,500 for a single person, $2,500 for a second family member, and $500 for each additional dependant. A further $500 is allowed to disabled persons. These limits apply to recipients of FBA and recipients of GWA who are headed towards FBA; GWA recipients in general are limited to liquid assets equal to two weeks' assistance.

The CAP guidelines permit assets above the ceilings if the money is in a special fund or trust for purposes deemed "socially important" by the provincial administration. Under FBA regulations, people already receiving assistance can accumulate 10% more in liquid assets without disentitlement. In addition, people may, with permission, save excess liquid assets to purchase an article considered necessary to their well-being. Under this proviso disabled people are routinely permitted to save for vans or other major items.

In our view, in order for recipients to take responsibility and make the transition to autonomy, a much more generous approach to assets is required.

RECOMMENDATION 30

Asset limitations should be immediately equalized for all recipients at the highest levels currently permitted. Negotiations should take place with the federal government regarding the subsequent raising of asset ceilings. An immediate increase should be granted in the allowable limits for everyone, by at least the amount of inflation since the last increase in 1981 (that is, a 50% increase as of 1988), subject to CAP approval.

We believe that in the longer term, asset ceilings should be completely eliminated for disabled persons when they leave the social assistance system and are eligible for the disability benefit, as outlined in Chapter 3. Removal of asset limits in this instance would ensure consistency with other income-tested programs like old age security.

Disposal of Assets

Owners of failing small businesses, farmers who are leaving their farms, and single parents who have recently undergone a separation often have assets beyond the allowable levels for social assistance purposes. The rapid and forced liquidation of tools, farm machinery, or family assets is not conducive to stability and self-reliance. Forced sales of assets are especially damaging when the likelihood of remaining on assistance for a long period is slight and the applicant is making a serious effort to leave the social assistance system.

RECOMMENDATION 31

A grace period of at least six months should be established within which those involved in opportunity planning should not be required to dispose of small business, farming, family, or other defined assets.

Liquid Assets

In Ontario, an owner-occupied home and an automobile necessary for transportation are not currently considered liquid assets, nor are a limited number of other items, such as prepaid funerals. However, certain assets now deemed to be liquid, such as Registered Retirement Savings Plans (RRSPs) or heirlooms, often cannot be liquidated quickly or will yield only a small portion of their real worth in the process. We heard numerous examples of the inflexible treatment of liquid assets. We also became aware that how and when an item is deemed a liquid asset is often unclear.

RECOMMENDATION 32

A flexible approach should be taken in defining a liquid asset. The current vague and variable treatment of assets should be replaced with a clear, available, and consistent set of rules.

Savings

The current rule permitting recipients to save for "necessary items" from their social assistance allowances beyond the asset limits has two problems. First, it applies only to FBA recipients. Second, the items that may be approved are not clearly identified.

RECOMMENDATION 33

Guidelines should be established to enable all recipients to save for needed assets beyond the asset limitation.

Cultural Issues

In some cultures, assets that the social assistance system now requires applicants to liquidate are not viewed as saleable by the individual. For example, members of certain cultures view the sale of family jewellery as prohibited by custom. Native artists may be denied eligibility for assistance if they possess inventories of unsold art. The imposition of asset rules in such cases can be seriously counter-productive.

RECOMMENDATION 34

With the help of multicultural and Native communities, a set of guidelines and procedures should be developed for dealing with culturally important assets.

Second Properties

At present, applicants who own a second property in addition to a primary residence are not eligible for assistance. Yet in many cases, the value of such a property is insignificant, or it is in a country where money realized upon liquidation would be subject to exchange controls.

RECOMMENDATION 35

A second property owned by an applicant should not be grounds for automatic ineligibility, but should be treated as a liquid asset if in fact it can be sold and the proceeds received.

INADEQUATE CONSIDERATION

One of the present rules under both GWA and FBA renders ineligible an applicant who has deliberately divested assets for less than fair market value ("inadequate consideration") within the past three years. This rule can create enormous hardship in cases where the divestment took place long before the applicant had any intention of seeking social assistance. The applicant may have no means of reversing the sale.

RECOMMENDATION 36

The rule relating to the disposal of assets for inadequate consideration should be amended to apply to transactions within a one-year period prior to the application for social assistance.

ESTATES

The treatment of small inherited estates under social assistance is a particularly difficult area and one that disproportionately affects disabled persons. The costs of meeting a disabled person's needs are usually substantial, so that only the wealthiest families can provide an estate of sufficient magnitude to deliver full care for a dependant's lifetime. Large estates are not under discussion here, because the revenue they produce would be significantly higher than that available under social assistance.

In the past, most disabled persons who needed assistance either spent most of their lives in institutions or were supported by their families. Because there was usually no possibility of their living in the community, and their lives in the institution would not be substantially improved by an inheritance, asset ceilings and the limits on estates imposed little hardship. Today, however, many disabled individuals are living in the community. In addition, rapid inflation of house values has resulted in more families having sizeable assets to leave to a disabled family member.

At present, if a disabled adult's parent leaves him or her an estate, it must be liquidated and the proceeds run down to the applicable asset limit before that person is eligible for social assistance. Once the applicant qualifies, he or she is no better off for having the inheritance than would have been the case without it. The result is an incentive for parents to exclude their disabled children from their wills entirely. The committee finds this practice undesirable and believes that parents, other relatives, and friends should be permitted to leave estates of some value to social assistance recipients without precipitating automatic disqualification, provided that the assets are used to maximize the recipient's independence or participation in community life.

Disabled persons are especially vulnerable to the strictures imposed by the asset ceilings because cost-sharing between individuals and the government for the care of disabled persons is not permitted. The government will pay FBA benefits to individu-

Voices

Ruth Sparling, St. Marys *The next focus of attention was getting a better wheelchair for Doreen. The antique one she had was unsafe. I failed to get a wheelchair from the March of Dimes for her. Don used his last savings to get Doreen a wheelchair because of a dumb ruling that they had to have less than $5,000 in the bank to receive any benefit. Do people need to be penniless before they receive benefits? This couple prepaid for their funerals. They got put down for this, too. They have been told that they could have gotten a cheaper funeral, so their benefits are decreased.*

Community Living Mississauga *A particular and certainly understandable worry for many parents of children with intellectual handicaps is their financial security. As it stands now, parents are discouraged from leaving assets to their children, fearful that their benefits will be jeopardized.*

als whose assets amount to less than $3,000. Above that ceiling, people are not eligible for assistance, and their families must bear the total costs. The opportunity to preserve assets for future needs and security does not exist.

Some families have attempted to avoid this "no win" situation through the use of a trust: money is paid to a trustee, who then releases funds to the intended recipient. At present, only a discretionary trust – in which the trustee has absolute legal authority to decide when and how much to pay out – does not cause FBA disqualification, provided that the amounts paid are within acceptable income limits. Any trust in which the testator attempts to make stipulations regarding the transfers is deemed to be an asset available to the recipient and generally leads to automatic disqualification.

In a recent case, the Ontario Divisional Court ruled that a completely discretionary trust is not a liquid asset.[11] The final legal outcome of this case is as yet unclear. However, the committee is convinced that a change in the status quo is required, particularly for disabled persons. The ability to use discretionary trusts represents a narrow legal victory at best. As an instrument to protect assets from inclusion under social assistance, discretionary trusts are both unattractive and risky, since it can never be ensured that the trustee will disburse funds as intended by the benefactor or in the interests of the beneficiary.

RECOMMENDATION 37

Small and moderate estates should be exempted from consideration as liquid assets, if the estate monies are used in accordance with an approved plan. Approval should be given to plans that use the estate to meet special health, social, or educational needs.

Once again, the short-term principle of equality of treatment for those with assets and those without will be secondary to the pre-eminent goal of facilitating transition to autonomy and the longer-term goal of equality between all recipients and others in the community.

Income Testing

In income testing, a benefit amount is normally predetermined, without reference to the assets of individual applicants. Any income within the benefit unit is subtracted from the benefit amount and the remainder, if any, is the allowance paid. The purpose of income testing in the context of social assistance is to ensure that people with ongoing or periodic income have their entitlement to social assistance either reduced or cancelled on the basis of income they receive. The need for social assistance is obviously reduced when people have other resources.

Income received by social assistance recipients can lead to reductions in allowances in part or in total; that is, the benefit-reduction rate (also called the tax-back rate) can vary from zero to 100%. Certain types of income – for instance, family allowances and the child tax credit – have traditionally been exempted entirely in social assistance calculations, because basic social assistance rates are premised upon the assumption that these forms of income will be received. Income may also be exempted if it is intended to pay for some item or service for which the individual is not otherwise reimbursed: student loans and grants received under the Ontario Student Assistance Program (OSAP), adoption subsidies, and criminal-injury awards all fall into this latter category.

Income counted in part, with a benefit-reduction rate greater than zero but less than 100%, usually results from activities that the government wishes to encourage. Income from roomers and boarders, for example, or from paid employment (within limits) is treated in this manner.

Most other forms of income – including Canada Pension Plan, unemployment insurance, workers' compensation, and government pension payments – are deducted from social assistance payments dollar for dollar. The rationale here is that social assistance is the program of last resort. This approach differs from that of programs that rely upon income tests alone, whose benefits are usually reduced, after a standard exemption is applied, at rates far below 100%. The child tax credit and the Work Incentive Program (WIN) employ both a standard exemption and a reduction rate lower than 100%; the federal guaranteed income supplement (GIS) program for the aged also employs the latter feature. The WIN program ignores the first $675 in monthly earnings; the child tax credit ignores the first $32,760 annually. The reduction rate on income above these amounts is less than 100%. The GIS program recovers 50% of income as defined.

The major policy issues related to income testing are not whether outside income should reduce the amount of social assistance paid, but rather what to count and how to count it. Perhaps the single most important concern centres on earned income; the issue of work and social assistance is deferred in this report to Chapter 6, where it is discussed in some detail. Here, only income derived from sources other than paid work (called unearned income) will be considered.

The committee believes that there is some degree of internal unfairness with the present varying approach to unearned income. For example, an adoption subsidy is completely exempt, but a payment by a relative to help meet the unsubsidized shelter costs of a recipient can result in a dollar-for-dollar reduction. Unemployment insurance payments are deducted at 100% on a "net" basis, while most other forms of income are deducted at a variable rate on a "gross" basis. A fixed benefit-reduction rate combined with a variable rate is levied on income from boarders, but in most other instances the reduction is based on the actual amounts of income. Remedies should be sought to resolve this apparent confusion. The treatment of unearned income should be explicable within a framework that identifies the different approaches and explains clearly where each type of income fits.

First, those forms of income that should be fully exempt must be identified. The policy rationale for such treatment is that the income is required to fulfil a valid purpose not otherwise subsidized by social assistance. As long as rates are set with the view that family allowances and tax credits contribute to an adequate income level, such sums should be fully exempt. Other forms of income deal with expenses that social assistance is not intended to cover, and should continue to be exempt as well: these include adoption subsidies, payments made pursuant to the Indian Act, and student loans and grants.

The second category includes partially exempt unearned income. This is income the government is trying to encourage recipients to generate: for example, income from roomers, boarders, or the rental of self-contained quarters. Not only does this partially exempt income assist recipients to a greater degree of self-reliance, it allows them to provide needed accommodation. Recovery rates should be low enough to create real incentives for recipients to earn this income.

The third category of unearned income is fully recovered income, including amounts paid by other income security programs, such as unemployment insurance.

RECOMMENDATION 38

A clear, understandable, and available framework should be established for the treatment of income that explains and justifies four different approaches, depending upon the nature of the income and the reasons for its payment:

- **unearned income: fully exempted**
- **unearned income: partially exempted**
- **unearned income: charged in full**
- **earned income (discussed in Chapter 6)**

Under our long-term vision for social assistance, we are satisfied that there will still be a place for differing treatment of different types of income. Social assistance will continue to have benefit-reduction rates that vary between zero and 100%, while the proposed income supplementation scheme will exempt certain income and apply one common benefit-reduction rate to all other income. At a minimum, there will be a standard exemption for all recipients at least equal to the value of the currently exempt benefits (family allowances, the child tax credit, the Ontario tax credit, and so on); this will ensure that no one is worse off as a result of the changes. A number of special problem areas, however, must be dealt with if a rational policy framework is to emerge.

Income Within the Asset Limits

At present, unearned income that falls within the asset limits is subtracted from an individual's allowance. Recipients have argued that if they have "room" within the asset limits they should be permitted to keep any income realized up to this level. We view this suggestion as extreme, but we believe that some flexibility must be built into the system to exempt modest "windfalls" or the income from very small estates.

Gifts

Relatives and friends sometimes attempt to supplement a recipient's assistance payment. For example, the shelter component of social assistance often does not meet actual shelter costs, and money may be given to help fill this gap. At present, such small payments are often recovered at 100% if received on an ongoing basis. Until an adequate level of assistance is assured, consideration must be given to rules that would enable relatives and friends to assist in meeting those needs of recipients that are not currently reimbursed under the existing rate structure. A modest exemption is justifiable in these cases, because this is income for purposes not now covered by the allowance, and because its source is people who should be encouraged in their efforts to help recipients.

RECOMMENDATION 39

In the short term, clear rules should be developed exempting reasonable assistance from relatives and friends if this assistance meets needs not met by the present allowance.

We wish to stress that this recommendation is an interim measure, until such time as social assistance rates are raised to levels of adequacy.

EARNINGS REPLACEMENT

Income from earnings replacement programs, such as workers' compensation and unemployment insurance, is currently taxed back at higher rates than would have been applied to earnings had the individual continued to work. Workers' compensation benefits, for example, are recovered at 100%, while earned income is recovered at variable rates. Although we believe that income from these sources should continue to be recovered in full, there is one instance where earnings exemptions should continue to apply – to wit, when a social assistance recipient who is already benefiting from the earnings exemptions is injured on the job and receives compensation in the form of earnings replacement. In such instances, it appears especially unfair that the injured person should receive a lower amount of benefits and income overall.

RECOMMENDATION 40

When a person receives benefits from an earnings replacement program such as workers' compensation while benefiting from social assistance earnings exemptions, the treatment of the earnings replacement income should parallel the treatment of earnings.

RESOURCES DEEMED TO BE AVAILABLE

When income is not actually received by an individual, but an administrator believes that it is available, a reduction is often made in the recipient's allowance. The most common instances occur with sponsorship agreements and support rights that are not acted upon. A great deal of discretion is given to administrators in deciding whether to make such reductions, and at what level. The result is a wide variability and the application of inconsistent criteria from area to area and even from individual to individual. The recipient involved may not believe that these resources are available or may be unwilling to pursue the money, for a variety of compelling reasons.

RECOMMENDATION 41

Clear policy should be established as to when resources are deemed to be available to a recipient.

This complex issue requires a response that is sensitive to the dilemmas various recipients may find themselves in.

Sponsorship Agreements We have already examined certain important ways in which the current system can discriminate against immigrants – for example, when assets with important cultural significance must be liquidated, or when people are deemed ineligible for assistance because they own a small piece of property in another country. Special problems can arise when a sponsorship arrangement breaks down. The federal Immigration Act allows anyone who is at least 18 years of age and a Canadian citizen or permanent resident of Canada to sponsor certain relatives to come to this country. The sponsor is required to sign a document in which he or she promises to support the sponsored immigrant for a number of years. For a "family class" relative, the maximum time stipulated for sponsorship is 10 years; in practice, that number is invariably chosen. Unfortunately, these sponsorships sometimes break down, either for financial reasons or as a result of personal or social difficulties that arise between the people involved.

When sponsorships fail and sponsored immigrants apply for social assistance, they may be denied assistance or have the amount reduced on the grounds that resources are deemed to be available from their sponsors. However, because the sponsorship agreement is a contract between the sponsor and the federal immigration authorities, the immigrant is not a party to it and is unable to enforce it legally.

In our opinion, it is simply wrong to decide that people's need is less because of the existence of support obligations that they have no means of enforcing. Even if the obligation did exist, either in contract or in family law, and the sponsored relative had a way of seeking support through legal procedures, the government should not refuse to meet financial need while such efforts are being made. We also question whether the support obligation should continue for 10 years, and whether it should not be terminated after the immigrant secures citizenship.

RECOMMENDATION 42

Steps should be taken by the federal government either to enforce sponsorship agreements, or to ensure that they are enforced by the province, or to make them enforceable by sponsored individuals.

Rosa, 64, Toronto

Rosa is a Portuguese woman who arrived in Canada at age 62.
Rosa was sponsored by her married son for a mandatory 10-year period, and moved into his house with his wife and three children. This arrangement lasted for two years, with Rosa babysitting while the parents worked. In exchange for her babysitting services, she received room and board, but there was no money for medications, eyeglasses, or even new clothes.

No longer welcome

The house was small and crowded. Problems developed between Rosa and her son and she was no longer welcome in the house. She moved in temporarily with a woman from the church, hoping to find her own apartment.

Rosa does not speak much English, so her friend helped Rosa call the welfare office to inquire about receiving social assistance. The welfare office explained that Rosa was not eligible because she was under sponsorship and her son was responsible for her. She was referred to immigration. The immigration office granted Rosa a hearing, which her son would have to attend to prove that he could no longer support Rosa. He did not attend because he is too proud to discuss family problems in public. But he felt guilty about his mother's lack of income and Rosa despaired about her situation.

Rosa's friend from the church also called Metropolitan Toronto Housing to see if Rosa could get a subsidized apartment. She was told that because Rosa was still under sponsorship, she would not be eligible unless her son broke the sponsorship agreement at an immigration hearing.

Rosa knows she cannot return to Portugal because she has sold her small house and belongings. She is left in Canada, estranged from her son, with no financial assistance and no housing. Only Rosa's friend from the church seems willing to help her survive.

RECOMMENDATION 43

Sponsorship agreements should be reduced in length, preferably to five years or up to the date of citizenship, whichever is earlier.

RECOMMENDATION 44

Social assistance should be available to sponsored immigrants, on the basis of need.

RECOMMENDATION 45

Sponsored immigrants receiving social assistance should be asked to seek support to which they are entitled under family law. If a sponsored immigrant does not wish to do so personally, the government should exercise its right to seek support.

Support Obligations There is a general lack of clarity concerning when an applicant for assistance is expected to pursue financial support from a spouse or parent. Very selective uses are made of the Family Law Act. For example, separated spouses are always expected to pursue support, while disabled persons are rarely required to seek resources of this nature. In most but not all cases, unwed mothers are expected to name the child's father and seek child support. Young people are required to vigorously pursue support from their parents in some municipalities, while in others, they are not.

When a recipient is required to pursue support and does not do so, the result may be a reduction in the amount paid or a denial of assistance altogether. The requirement to pursue support may be imposed even when the recipient has been abused and fears that a support application will lead to further abuse. Despite legislation that authorizes applications by the provincial government to the court if the recipient prefers not to apply, the uniform practice is to require the recipient to make the application.

RECOMMENDATION 46

Clear rules should be established in regard to support obligations and the circumstances under which they should be enforced.

Currently, in most provinces, spousal and child support payments are deducted from social assistance allowances dollar for dollar. Only British Columbia and Newfoundland permit recipients to retain some of the support money that is paid to them. The committee was unable to reach agreement on whether a similar exemption should be introduced in Ontario.

A number of competing considerations must be weighed in reaching a final decision. Several reasons for maintaining the deduction may be cited. First, some consider it inappropriate to introduce an incentive to encourage someone to meet what is simply his or her legal obligation. A better approach would involve effective enforcement measures to ensure that legal obligations are met. Second, there are indications that the introduction of a $100 monthly exemption in British Columbia has led to courts making orders in that amount on the assumption that a larger award would be of no benefit. Such a result can be disastrous for recipients who hope to leave social assistance and live on employment income and support payments.

In addition, the fact that support payments could be partly retained might be used to justify inadequate social assistance rates. The net effect would be the same as if support awards were deducted. Further, those not receiving support payments would be severely disadvantaged. And finally, introducing an exemption would deny a benefit to those who are unable to obtain a support award because their spouses or parents either have insufficient resources or cannot be located.

Introducing an exemption, on the other hand, may be favoured for several reasons. First, such an approach would be consistent with the committee's decision to permit some inequality in the financial situation of recipients in order to foster movement towards independence. If the exemption acts as an incentive to consistent payment of support awards, there seems little doubt that this would encourage recipients to move with more confidence towards leaving social assistance.

Second, neither the transfer of the matrimonial home nor the awarding of family assets (within the asset limits) affects the social assistance allowance. Lump-sum support awards are treated as assets after the month in which they are received. Third, allowing a parent to retain a portion of earned income, but not of child support payments, conveys the message that the work of raising a child is less important than work done outside the home.

The relationship between family law and social assistance is addressed in more detail in Chapter 10.

Farm Income

It is difficult to find a rational explanation for the farm income rules currently enforced by the social assistance system. Under FBA, a varying percentage of gross farm income is deducted from the allowance, while under GWA, farmers are generally ineligible for assistance because they are self-employed or because they have assets.

RECOMMENDATION 47

The treatment of farm income by the social assistance system should

be rationalized by setting a farm income policy that allows farmers to stabilize their operations and explore other opportunities while maintaining eligibility for assistance.

This topic is discussed further in Chapter 5.

Needs Testing or Means Testing

There is much confusion both in the literature and among the public as to the difference between a means test and a needs test. A needs test starts from a pre-set level of need for a particular family size, which may then vary according to the family situation. For example, fuel, shelter, or utility costs might be higher or lower for a particular family; in such a case, the pre-set levels of allowances for these items may also vary to a certain degree. The family's ability to meet these needs is not taken into consideration in a needs test.

A means test, on the other hand, looks very carefully at the circumstances or the "means" of a family to provide for its needs. For example, in the past the existence of a large vegetable garden might have reduced the food entitlement of a particular family. Similarly, the availability of wood might have reduced a fuel entitlement.

With both a needs test and a means test, available resources such as income are deducted from the entitlement to reach the final amount of an allowance. However, strictly speaking, a true means test has not been used in any of Ontario's social assistance programs since 1966. Indeed, the establishment of the budget-deficit method (a needs test whereby income is subtracted from a pre-set need level) was seen as a major step forward at that time.

As noted earlier, the committee believes that needs testing continues to be the cornerstone of social assistance, and that the system has strayed too far from its original intent – that is, to meet real needs – through the introduction of complex categories and an irrational allowance structure.

Adequacy and the Allowance Structure

To an overwhelming degree, the submissions and presentations made to the committee focused on the inadequacy of social assistance rates in Ontario. In Chapter 2, we described the number of Ontario residents with inadequate incomes and presented some analysis of the degree of this inadequacy.

The flash point of social assistance inadequacy in Ontario is the high cost of shelter. By any accepted standard, social assistance recipients, in general, are spending far too much of their available income on shelter. But our discussion of the shelter problem is undertaken separately because we believe that its solution is different from the issue of adequacy per se. In this section, therefore, we first discuss adequacy, the rate-setting process, and how to maintain adequacy once it is achieved. We go on to discuss a number of allowance structure issues, including shelter costs, basic and special needs, and regional variations, among others.

Defining and Maintaining Adequacy

We have a number of detailed recommendations to make regarding changes in rates and rate structure. We also propose a steady move to adequate rates for all recipients; the staging of that move is set out in Chapter 11. We perceive our most important role in this area to be that of proposing the introduction of a measure or definition of adequacy that is clear, understandable, and publicly available. Once the government adopts such a definition, it can be held accountable for the essentially political decisions that establish rates and other related policies. No measure will ever be totally objective. However, if debate focuses on where recipients stand in relation to one accepted method of determining adequacy, the system can be judged more easily and becomes more understandable for everyone.

Our first task was to propose an acceptable standard of adequacy. Because an absolute measure of adequacy would merely tend to approximate the minimum levels necessary for physical survival, we strongly advise a relative approach, in which assistance levels are determined according to community norms and standards. The goal, after all, is not merely to see that people do not starve or freeze to death on the streets. Rather, social assistance should ensure that resources are adequate for recipients to enjoy a reasonable standard of living within the community. The rate structure must support and reinforce the overriding objective of encouraging transition.

The committee examined a number of different measures of adequacy, including poverty lines, market basket approaches, and expenditure patterns. Each of these methods was presented to us numerous times during the course of the hearings, either separately or in combination, as a possible approach to recommend to the provincial government.

Poverty lines are very popular because they list, according to family size and size of community, standard levels of income required for people to live at a minimum level of adequacy. There are a number of published poverty lines, which all use different criteria. The second method, the market basket, prices a number of goods and services that people need to live and sets levels of adequacy based on the total cost of the items priced. The third, expenditure patterns, looks at people with various levels of income in a particular geographical area and records their expenditure patterns.

We rejected the poverty line approach on the basis that it does not adequately

Voices

Recipient *Most people think no matter the amount of rent cost, the welfare [department] pays it. They pay a percentage toward it, and the rest comes out of the food money they provide.*

Recipient *I want you to know that I am very embarrassed as I stand here reading this to you. To me this is very demeaning, degrading and very inhumane. Which reminds me that even animals get better treatment from society, because they don't have to stand before you like I am now and beg for a normal way of life. Do you realize how embarrassing it is to depend on my friends and family for food and other emergency necessities for the last week and a half of every month?*

Recipient *Sometimes I eat…sometimes I don't. I usually just eat one meal a day if that. If it wasn't for the soup kitchen I think a lot wouldn't get near enough to eat.*

accommodate the need for separate treatment of shelter costs. We also rejected the third approach, because it appeared too arbitrary. No one level of income or expenditure can establish universal adequacy, and we believe that adoption of this type of standard would result in an unproductive debate over the relative merit of differing choices.

Accordingly, we chose the market basket approach, which, although imperfect, appears to embody a realistic combination of community standards and empirical measures. The market basket approach is, of course, subject to great variability in the items chosen. To some degree, this is unavoidable. Expert opinion regarding nutrition and clothing needs, along with reference to actual expenditure patterns, would reduce such variability to an acceptable minimum. This approach is outlined in more detail in a background paper prepared for the committee.[12]

RECOMMENDATION 48

The market basket approach should be used as the measure of adequacy for all items except shelter. Such an approach should incorporate reference to expert opinion and actual expenditure patterns.

Faye, 26, Kenora

Faye is a sole-support parent with two children.

Two years ago I decided to find a better life for me and my children. During my four-year common-law marriage, I watched my mate's alcoholism progress and I was subjected to more and more abuse. He first showed signs of violent behaviour when our daughter was four months old. I stayed "for the baby". Two years later and five months pregnant, I finally decided to leave "for the baby". I realized that an environment filled with alcohol, drugs, and violence was no environment in which to raise two children.

Watered-down formula

My fantasy of a better and happier life quickly faded. When my son was six weeks old, I moved my children from Saskatchewan to Ontario. I found a house and applied for Family Benefits. I received maximum benefits, amounting to just over $700 a month. Rent was $400, gas and heat $140, and hydro about $65 a month. Needless to say, the remaining $95 left little money for food and other items.

How did we survive? We did without a lot of necessities. I watered down my infant son's formula so a case would last until the next cheque. The only fruit we ate came occasionally from my parents as a treat for my children. I also borrowed money from my parents, which I am still trying to repay.

After five months on Family Benefits, I decided that we couldn't continue to live this way. Fortunately, I found full-time employment as an office manager. Working did little to improve our life-style. My net monthly income was $1,100. But with the added expenses of working – like work clothing, transportation, and day care (which was partially subsidized) – we still struggled. In addition, I lost my drug card when I started working. I came home from work too exhausted to offer my children anything emotionally. I felt like a robot. They needed two parents and didn't even have one. After working for nine months, I had to give up my job and return to Family Benefits.

Four-year-old feels the burden

How has living on Family Benefits affected my family? My two-year-old son is small for his age. I don't like to think about it, but deep down I know that his size is probably a result of poor nutrition. My daughter used to ask for toys and special events like the circus, and I always said, "Maybe one day." Finally she said, "One day, that's what you always say! When is one day, Mom? Never!" She is only four years old and already she feels the burden of no money. The only new clothes my children have received in the last two years are from relatives on special occasions. It scares me to think that when my daughter starts school this fall the cost of a wardrobe will far exceed the clothing allowance from Family Benefits.

Abused by the system

My children also suffer with a mother who is often stressed-out with worry and not very happy. Often my frustrations are vented at them. I feel overwhelmed being the only person responsible for providing for their needs, and when I fall short I feel inadequate as a parent. I'm trying to take an honest look at how poverty may affect my children in the years ahead – and frankly, I can't. They are so young and already have so many strikes against them. I don't like to think about their chances of becoming or marrying alcoholics or abusive individuals. I just know that my children and I feel more punished and abused by the social assistance system than I ever felt with a violent mate.

In the final analysis, there is no perfect way to measure adequacy, and any set of rates will be considered too high by some and too low by others. However, we are certain that no one would argue that social assistance rates, which provide a livelihood to one in twenty Ontarians, should be set without a rationale. It is essential that some measure be adopted to focus both policy work and debate in this extremely important area.

To some, this may seem to be a small point. But in considering the current array of social assistance rates in Ontario, one can see the inevitable result of setting these rates in a policy vacuum: a wide variety of rates for people in similar circumstances who are divided into countless categories and sub-categories and buffeted by competing financial and political priorities.

We propose that government move towards adequacy in a way that harmonizes efforts to create adequate rates, to provide adequate incomes for the working poor, and to introduce appropriate incentives to move from social assistance into the labour force. A full discussion of why this is necessary is set out in Chapter 6. The staging of reforms in all three areas is outlined in Chapter 11.

This co-ordinated approach may slow down the move to adequate rates, but without progress in all three of these areas, achievement of adequate rates simply will not work. Not only would social assistance become more of a trap for its recipients, it would be seen as unfair by the working poor, who would be receiving less. Ultimately it would be judged as a failure for all.

The Ontario government must take three important steps. It must first accept the proposed definition or measure of adequacy, acknowledge the political nature of decisions to be made within that definition, and be prepared to defend publicly its stand in relation to that definition. Second, it must accept the need to move in all three areas at once, in order to make it possible to examine rate adequacy as part of a broader economic problem that requires a co-ordinated response. And finally, it must establish a public process through which its progress in all three areas, including rate adequacy, may be monitored. This would ensure accountability and enhance the likelihood of broad public participation in a difficult but important debate. One way of introducing this process is to accept the stages of reform set out in Chapter 11. Another method is to establish a more public process for the setting of rates.

The present process of periodic review is invisible and unstructured, although it has resulted in regular increases over the past six years. Indexation would be a better approach; because of changes in consumption patterns, however, occasional reviews of the market basket's contents would be required. Between such reviews, revisions should be based upon such indicators as rent surveys, expenditure pattern changes, poverty lines, and the consumer price index (CPI).

RECOMMENDATION 49

The rate-setting process should be established in legislation, along with a requirement for legislative review of proposed changes. The legislation should require, at a minimum, yearly indexation of rates on the basis of the CPI. The statute should require a review of the market basket definition and existing rates every five years by an external committee that reports to a standing committee of the legislature.

Of course, the government would be ultimately responsible for acceptance or rejection of the external committee's report. Nevertheless, if this process were followed, the maximum amount of public debate would be fostered. These recommendations do not rule out the prerogative of the government to make special increases, such as those initiated in mid-1987 for disabled people.

Shelter Costs and Subsidies

The cost of housing was one of the issues most often raised in both hearings and submissions to the committee; clearly, this multifaceted problem is simply not amenable to one solution or one set of solutions. Two major overall themes – affordability and supply – dominate; solutions that address only one of these problems are doomed to failure. If recommendations are made in isolation to render housing affordable, without addressing the chronically tight supply, social assistance dollars would likely become simply another marketplace force that would drive prices even higher. On the other hand, if supply questions are considered in isolation from affordability issues, the problems facing social assistance recipients will not be addressed. Housing would simply become more available to persons with higher incomes.

In Chapter 10, a discussion of supply issues (along with the related problems of access and support) has been undertaken. Here, we deal with the issue of affordability and such related matters as shelter anomalies and shelter costs in institutions.

In Chapter 2, we cited ample evidence of the housing affordability crisis for social assistance recipients. The annual increases in average shelter costs for recipients are much higher than the amounts allowed under rent controls, indicating the lack of stability in the housing situation of social assistance recipients. The Ontario Housing Corporation (OHC) provides subsidized housing mainly for a fortunate minority, primarily single parents. Many other social assistance recipients pay 50% to 70% of their disposable income in rent; the average for those in the private market well exceeds any of the accepted benchmarks. And this phenomenon is not confined to Toronto; evidence suggests that the problem is equally acute in a number of Ontario communities. However, it is impossible to recommend simply that housing allowances or shelter components be raised, because of the highly complex design of the current shelter subsidy. That design must be simplified and rationalized before our recommendations can be set in an appropriate policy framework that will support real affordability.

The current reimbursement mechanism for shelter costs in Ontario's two social assistance programs almost defies either description or analysis. There seems little use in attempting a complete explanation because, like so many other aspects of the benefit structure, the mechanism has a history but lacks a true rationale. The following brief explanation is therefore intended to focus only on the principal elements.

From 1967 to 1977, social assistance allowances were essentially divided into two elements: ordinary needs and shelter. In 1977, for a variety of technical reasons, the shelter component was frozen; thereafter, the full value of any increase was applied to the ordinary-needs portion of the allowance. Taken in isolation, this move actually had a beneficial effect, as each recipient received the full value of subsequent increases, whereas previously recipients with rents below the shelter component ceiling received only the increases accruing to the ordinary-needs component. In 1981, in recognition of growing shelter costs and of a multiplicity of municipal shelter supplement programs, the government announced a shelter subsidy program specifically aimed at high-cost shelter. A threshold shelter cost significantly higher than the frozen shelter component was chosen as a starting point for reimbursement of high shelter costs. Once the maximum benefit was paid, shelter costs above that level were not reimbursed. This essential design persists today.

Complicating this design, however, is the fact that other costs normally considered part of shelter costs have been treated differently. Fuel costs continue to be reimbursed at 100% and were not permitted to be included in rent for purposes of calculating overall shelter costs (and therefore the shelter subsidy) until 1985. Until 1988, utility costs were not covered at all if they were a separate item from the rent.

The result of this convoluted treatment of shelter costs is a system that is all but unfathomable. Shelter costs up to a certain amount are reimbursed in their entirety. There follows a "zero zone" where additional shelter costs are not covered at all. Above another threshold, higher shelter costs are reimbursed at the current shelter subsidy level of 80%. The shelter subsidy range, however, has its own upper limit, beyond which further shelter costs are not covered at all. Depending on the recipient's level and mix of rent, fuel, and utility costs, utility costs may be fully reimbursed, partially reimbursed, or not reimbursed at all.

Predictably, recipients do not understand how the reimbursement of their shelter costs works. However, we were distressed to learn that the shelter reimbursement mechanism is also poorly understood by all levels of staff, many of whom have simply given up even trying to figure it out. A completely new design is therefore required: it should be simple and easy to understand, and should create a mechanism that is rational and explainable in relation to our definition of adequacy. The new shelter subsidy design should, within reasonable limits, meet the full cost of shelter (rather than some fixed percentage), without contributing to the problem of high-cost shelter it is intended to alleviate.

In designing the new shelter cost reimbursement mechanism, four issues require consideration: setting shelter cost ceilings; choosing a shelter standard; regional differences in shelter costs; and establishing an appropriate pace for the move to a new approach.

Some ceilings on shelter costs seem necessary. It is clearly unrealistic to recommend that social assistance recipients be paid allowances equal to actual shelter costs regardless of what those costs are. Not only would such a practice create an incentive to obtain higher-cost accommodation, it would have a detrimental effect on demand and prices in the marketplace.

We considered both marginal and average costs of shelter. In times of high vacancy rates, the marginal cost of housing (the amount someone looking for housing might have to pay) is generally close to the average actual housing cost. However, in times of low vacancy rates and rent controls, the marginal cost of housing is often much higher than the average cost. Ontario appears likely to continue experiencing tight demand for housing for the foreseeable future, and this situation creates a new and fundamental dilemma when setting social assistance shelter ceilings.

The data show that social assistance recipients, in general, pay less than the average amount for their shelter. For example, in 1987 the average shelter cost for each social assistance recipient in Metropolitan Toronto was less than $300, whereas average costs in the marketplace ranged from $392 to $956, depending on dwelling size. We also note that even though the average cost of a one-bedroom apartment in Toronto was $465, the marginal cost in 1987 was $863.[13]

The committee rejects marginal costs as an appropriate standard for shelter ceilings. The marginal cost of housing is an unrealistic indicator of the actual cost of housing for all sectors of society, including social assistance recipients. Only a small percentage of recipients are actually in the market for private (as opposed to public) housing at any point. In addition, if the objective of securing safe, affordable, and clean housing for more recipients is met, a smaller number would be in the market at any given time.

Therefore, we believe that average costs should be used to set ceilings. Giving social assistance recipients the means to bid more freely for private accommodation at the marginal rate would unfortunately have the unavoidable effect of raising the cost of such accommodation, rather than making it more affordable. Thus there could be separate and competing government policies intended to make housing affordable: one that forces prices up (high social assistance rates) and another that attempts to keep them down (rent controls). We believe that the province's new rent registry may assist in keeping rents down and providing safeguards against rental levels simply moving up in step with the changes in ceiling levels. It is our hope that the rent registry will assist in protecting present rents for social assistance recipients in a way that rent controls themselves have not.

Only one truly comprehensive and recognized shelter standard exists that takes into account the actual average cost of shelter in Ontario communities: the Canada Mortgage and Housing Corporation (CMHC) Rental Survey. As the costs for recipients in other forms of shelter (home ownership, public housing, boarding rates, and so on) tend to be lower than private rental levels, and as the shelter design calls for actual costs to be paid up to a ceiling, other forms of shelter are covered automatically.

Several different approaches could be taken to the problem of varying rent levels in different regions in Ontario. A province-wide rate could be established that seeks an appropriate middle ground. An alternative is regional rates; it would be possible to have as many rates as there are communities or to have as few as two overall rates dividing larger cities from smaller communities. Or a core shelter subsidy could be paid across the province, with a second-tier subsidy for regions or communities with higher costs. Our review of differences in shelter costs across the province suggests that some allowance for regional variations is required.

RECOMMENDATION 50

The existing varying reimbursement "zones" should be abolished and actual shelter costs should be paid up to a ceiling. Shelter costs should include the full cost of hydro and fuel, and when the actual cost of home heating fuel or hydro exceeds the ceiling, these costs should continue to be reimbursed at 100%.

RECOMMENDATION 51

The actual average cost of shelter should be established as the shelter reimbursement ceiling. Such costs should be determined by reference to the CMHC Rental Survey.

RECOMMENDATION 52

To deal with regional variations, a core standard should be set for all of Ontario, with a second-tier subsidy for regions with higher costs.

TRANSITIONS

RECOMMENDATION 53

As a beginning step, recipients should receive 100% of actual costs, up to a ceiling set at the upper end of the range of the current shelter subsidy.

This initial move can begin to address shelter costs until further study is done to establish more appropriate ceilings. In Chapter 11, we describe the staging of more comprehensive shelter subsidy reforms.

BOARDERS

Special difficulties face people who receive their food and their shelter from the same source in a way that makes it difficult to separate the costs for each. Obviously, our recommendations for a new shelter subsidy design cannot be applied to such people. However, a review of the current allowance structure for boarders makes it equally clear that a problem exists in this area. With increases in the shelter subsidy, boarders have fallen farther and farther behind recipients who either rent or own their accommodation. A lesser problem with the current allowance structure for boarders is its lack of comparability with the other benefit schedules.

RECOMMENDATION 54

To resolve the inequity between boarders and others in respect of shelter subsidies, a special benefit should be provided immediately to boarders to assist them with their hidden shelter costs, transportation, clothing, and personal needs.

PROFIT AND NON-PROFIT RATES

In 1982, a distinction was made in the allowance structure to provide recipients living with friends and relatives with a lower allowance than persons living in "market" accommodation. The rationale for this distinction was that recipients living with relatives need less because their costs are lower.

We received a number of submissions on this issue and were distressed to learn that people often meet deficits in the allowances of siblings living with them, the majority of whom are disabled. This policy obviously violates our principle of respecting and preserving family life.

RECOMMENDATION 55

The distinction between profit and non-profit boarding rates should be abolished.

Recipients in Institutions

Social assistance payments are made at a higher rate to people living in certain institutions. FBA has a special allowance structure known as the institutional rate, for persons living in provincially regulated institutions. Under GWA, a special allowance called the hostel rate applies to people living in unregulated settings where a municipality has contracted with a caregiver. These two allowance structures have two components in common: a per-diem institutional rate paid on behalf of the recipient to the residence; and a comfort allowance paid to the recipient for personal needs.

The FBA institutional rate is confusingly based on factors extraneous to the process of setting social assistance rates – specifically, the funding and charging policies within the institutions themselves. In the simplest terms, the funds provided are set according to the per-diem charges in a number of provincially regulated institutions such as nursing homes, charitable homes, and residences under the Homes for Retarded Persons Act.

In the case of nursing homes and charitable homes, the per-diem institutional rate is derived largely from the extended-care policies that apply to aged people, who are the vast majority of residents in these homes. In the case of residences under the Homes for Retarded Persons Act, however, there appears to be no reason why an institutional rate related to aged persons is charged, as they contain only a handful of persons who have reached age 65. We understand that resident revenue is integral to the funding of such residences, given that they must make up 20% of their operating funds from this source. However, the creation of a special rate based on the aged model simply to accommodate funding protocols does not justify either the confusion or the complexity it causes. On the other hand, since resident revenue is finite, institutions providing higher-quality care may be penalized if they cannot meet the costs for which they are responsible out of resident revenue. In other words, the additional complexity noted above is not offset by either a rational or a superior funding process.

GWA hostel rate policies are covered in the housing discussion in Chapter 10, as the issues are more closely related to emergency and long-term assisted housing than to institutional funding and charging issues.

COMFORT ALLOWANCES

We were appalled to learn that the amount paid as a comfort allowance to persons in institutions can range from a set amount of $100 under FBA to nothing under GWA. In both cases, the amount paid is less than the $112 that aged persons in provincially regulated institutions receive. We were also distressed to hear that the comfort allowance is used to pay for personal needs and recreational items in some institutions and for necessities like clothing in others. Finally, in some provincially regulated institutions such as homes for special care, Schedule 1 facilities, and psychiatric hospitals, comfort allowances are paid in kind (for example, with outings or items from a tuck shop). We could find no clear policy rationale for these variations.

RECOMMENDATION 56

Institutional funding and charging policies in residences under the Homes for Retarded Persons Act should be dissociated from the rate-setting process. Recipients in these homes should receive the rate that they would otherwise receive in the community, and any additional funding required by the institutions should be provided through the direct operating budget. Problems relating to cost-sharing should be dealt with in negotiations with the federal government regarding the Canada Assistance Plan.

RECOMMENDATION 57

No change should be made in the funding and charging policies in institutions for the aged. However, placements of non-aged people in facilities for the aged should be reviewed to ensure that such placements are appropriate for the individuals involved.

RECOMMENDATION 58

The comfort allowance should be renamed the personal needs allowance, to reflect its intended purpose.

RECOMMENDATION 59

The personal needs allowance should immediately be made uniform with the higher amount that aged people now receive, and should be paid at this level to all who are eligible for it. Clear guidelines should be established regarding what the personal needs allowance is intended to cover. It should not be used to pay for basic needs, which ought to be covered through the funding of the institution itself.

RECOMMENDATION 60

The personal needs allowance should be introduced in those institutions, such as psychiatric hospitals, where it is not now paid.

Mandatory and Non-Mandatory Items

Basic items within the market basket must be designated mandatory. In other words, administrators should not decide at their own discretion whether these items are provided. In addition, the market basket will necessarily include items that meet special needs, as well as basic requirements. Two fundamental questions must be answered: what needs should be considered basic; and what special needs should be viewed as mandatory, rather than non-mandatory.

Basic Needs

The committee considered at some length the issue of which needs are basic. We rejected the approach that would provide only what is needed to maintain a basic living standard, with no contingencies for items that are a prerequisite to either personal development or integration within the community. This approach corresponds with the concept of a social minimum. It meets very few of the objectives enunciated in Chapter 1.

The second broad approach we rejected defines as basic those needs that raise recipients to general community standards. Such an approach is designed to eliminate the stigma of receiving assistance by aiding recipients to escape the usual signs that identify them as poor, and enabling them to live in a manner consistent with mainstream culture and values. The two principal problems with this more generous approach are that it is very costly and that it does not harmonize well with work incentives and programs for low-wage earners, rendering an effective approach to transition impossible.

We accepted a third approach, intended to achieve what might be called "frugal comfort". This approach is designed to provide basic necessities along with selected items consistent with reducing stigma, aiding integration into the community and the move towards self-reliance, and providing clients with choices. The items in this basic-needs basket would include:

- food (supermarket and occasional restaurant)
- clothing
- shelter
- personal needs (toiletries)
- household supplies
- transportation (basic and some recreational)
- health care (prescription and patent remedies including vitamins)
- basic recreation
- basic reading and education
- basic miscellaneous items such as telephone and children's allowances, plus a small life insurance policy

This list is consistent with items normally seen in expenditure patterns and market basket analyses.

Voices

David Reville, MPP (Riverdale)

The lack of a comfort allowance for FBA recipients in psychiatric hospitals is unacceptable. Having absolutely no discretionary income in an institutional setting makes the dependence of the patient total. Like residents of other institutions, FBA recipients in psychiatric hospitals should be provided a comfort allowance.

Toronto Association of Children's Aid Societies

Is a telephone a luxury? There are certain circumstances where it becomes a necessity because of illness or a condition that may require emergency assistance. Telephones are a social link to the world. It has been documented that there is a correlation between isolation, loneliness and abuse.

Recipient

The only concern is that I receive only emergency dental coverage, which forces me (and other moms) to wait until my dental problem is quite severe before seeing a dentist, which will cost the government more money to fix in the long run. If I had my teeth x-rayed and small problems fixed before they become emergencies, it would be healthier for me as well as costing less.

Regional Municipality of Niagara

Few understand why a single mom in Apartment 3B on FBA will receive full payment for optical needs under vision care, while the single mom in Apartment 4B, on [GWA] will require a municipal contribution of 50% of the cost for her optical needs under vision care.

RECOMMENDATION 61

A "frugal comfort" approach should be taken to basic needs that includes recognition of the need to reduce stigma and enables recipients to integrate into the community, achieve self-reliance, and exercise choice.

The Extra Needs of Disabled People

At present, single disabled recipients who receive GAINS-D are paid at least $165 a month more than are regular FBA recipients, and at least $226 a month more than single employable persons. Two broad approaches can be taken to recognizing the additional needs of disabled people under the market basket approach. These needs could be reimbursed as special needs at actual cost on an individual basis. Alternatively, given that most disabled persons have additional disability-related needs on a continuing basis, a flat-rate supplement could be introduced as a means of meeting these needs.

This distinction would of course become irrelevant under the system described in Chapter 3, because disabled persons would be removed from the social assistance program entirely and placed in a separate program. In the short to medium term, however, we favour paying a flat-rate supplement, since major administrative difficulties and confusion among disabled recipients would be caused by obliging them to apply separately for reimbursement for each special requirement related to their handicaps.

In 1974, GAINS-A and GAINS-D rates were identical. In August 1975, this parity was dissolved. Over recent years, some catch-up has occurred.

RECOMMENDATION 62

The highest GAINS-D rates should be increased to the levels now paid under the GAINS-A program, until further work is done to determine an appropriate rate for the handicapped allowance.

Special Needs

One of the consistent themes heard throughout the hearings and in the submissions related to the concern that special necessities are not mandatory under the General Welfare Assistance Act. We believe that this concern is valid. Items such as rent and fuel deposits, gastro-urinary supplies, dentures, bandages, and moving expenses are simple necessities. Payment for these items should not be subject to the discretion of a local official or anyone else. It appears to be impossible to find any clear or consistent rationale for deciding that some items are mandatory while others are not. For example, we could not discover why special diet foods are mandatory under FBA, but necessary dressings and gastro-urinary supplies are not.

Two considerations should guide decision-making in this area. First, if a special need is a prerequisite to meeting an individual's basic needs, then the presumption should be in favour of treating it as mandatory. Second, in accordance with our preference for mainstream services, the presumption should be in favour of delivery through programs outside the social assistance system – programs that also meet the needs of the wider community.

We believe that necessities include:

- needs related to food, clothing, shelter, and personal requirements (for example,

rent and fuel deposits, special clothing, basic appliances, home repairs, special diets, special transportation costs)
- emergency items (for example, emergency transportation)
- medical requirements (for example, dentures, prosthetics, orthotics, wheelchairs, gastro-urinary supplies, bandages, eyeglasses, hearing aids)
- expenditures that are required by law (for example, funeral and burial expenses)

One good example of a special necessity would be a start-up allowance that would replace the present discharge allowance and would be more broadly available to people who have undergone a dislocation in their lives, such as a spouse who leaves an unhappy or abusive relationship. Not only is this allowance an effective tool for dealing with the financial effects of relocation, it helps to make possible some of the major changes that people undergoing dislocation are required to make.

On some occasions, non-necessities – those items whose lack causes inconvenience but not hardship – can be elevated to the level of greater need. An additional clothing allowance may replace a child's lost coat; extra transportation money may be needed to pay a last visit to a dying parent or child. None of these items are necessities in the strictest sense of the term, but guidelines for the exercise of discretion should support seeing them as such when appropriate.

RECOMMENDATION 63

Special needs, such as those related to health care, should be funded and delivered where possible through programs directed at the broader population.

RECOMMENDATION 64

When a special need is a prerequisite to meeting an individual's basic needs, it should be considered a mandatory benefit. Some funding should be available to meet special needs for items that are desirable but not necessary. Such items should continue to be handled on a non-mandatory basis.

Other Allowance Structure Issues

The allowance structure varies in seven different ways within the current GWA and FBA rates. We have covered the two relating to shelter – that is, accommodation type and the purpose for which accommodation is provided (profit versus non-profit). This leaves five: family size; family composition; ages of children; age of the recipient; and employability.

Family Size Earlier in this chapter, we recommended that all adults in a benefit unit receive the same rate. We also recommended that all children in a family receive uniform rates rather than declining rates based on their order in the family.

Family Composition Again, earlier we noted that differences in family composition should not affect the rates received by social assistance recipients. Our recommendation equalizing the rates of the first child in a one-parent family and the second adult in a two-parent family accomplishes this objective.

Ages of Children Both basic rates and other benefits for children are distributed in a highly variable manner according to an array of age categories. In some cases there are three age groupings; for the basic FBA or GWA allowance, the thresholds occur at ages 10 and 16. For the annual back-to-school benefit, which is received only in FBA and GAINS-D families, there are two groupings: children 4 to 12 years old, and those 13 and older. For the winter clothing allowance, families in all three programs receive a flat-rate payment of $80 a child. We could find no rationale for this confusing set of practices. The only distinctions should relate to the fact that teenage children have greater needs.

RECOMMENDATION 65

Age-related distinctions among children should no longer be maintained in their present form. There should be only two rates: those for children 12 years of age and under, and those for children over 12.

Age of Recipient At present, the rate structure distinguishes between the sexes at age 60. A single woman aged 60 to 64 receives the significantly higher FBA rate, while a single man at this age will likely remain on GWA. At present, the maximum allowances would be $693 a month for the woman and $509 for the man. In addition, immigrants aged 65 and over receive $30 above the basic FBA rate, presumably reflecting the fact that they do not qualify for old age security.

RECOMMENDATION 66

The distinction between men and women aged 60 to 64 should be eliminated immediately. All age-related distinctions should be eliminated as the rate structure approaches the level of adequacy.

It may be that in the short to medium term, this overall issue of unnecessary age-related categories will be obviated by a Charter challenge to the federal spouse's allowance. This program pays benefits to the spouses of old age pensioners, and to 60- to 64-year-old widows. As this appears to be an obvious violation of the equality rights provisions of the Charter, the federal government may be forced to pay benefits to all eligible single persons between the ages of 60 and 64.

Employability Single employable people receive $8 a month less than do single people considered temporarily unemployable under GWA. The amount is small and the distinction now serves largely as a symbolic irritant.

RECOMMENDATION 67

The rates for single unemployable and employable people should be equalized at the higher rate.

Regional Rates

We have considered the possible need for a regional rate structure to meet differing needs across Ontario. We have already proposed differential ceilings for shelter costs, the largest and most volatile element within the allowance structure. In addition, we have recommended that special necessities be reimbursed at their actual cost. Costs for such items (for example, transportation) vary widely across the province, and we see their reimbursement in full as a way of alleviating the need for regional rates. As well, we conducted a small study that examined cost variations for necessities other than shelter across the province. Apart from the remote North, the variations proved to be much less than we had anticipated. Major cost variations do occur in fly-in Native communities. The solutions for the remote North may lie in the funding given to implement the special approach to Native communities recommended in Chapter 9.

RECOMMENDATION 68

Regional rate structures should not be introduced, apart from those relating to shelter and the special allowance paid in the remote North.

Cash and In-Kind Payments

In-kind benefits make up a largely invisible part of the social assistance system. Benefits paid in this manner include:

- direct benefits (such as eyeglasses, hearing aids, home repairs, and items covered by the Special Assistance and Supplementary Aid programs);
- insurance programs (such as OHIP, drug benefits under the Ontario Drug Benefit Plan, and dental benefits); and
- needs-tested services (such as child care under the Day Nurseries Act, Employment Support Initiatives, homemaker and nursing services, legal aid, services in hostels, and crisis counselling).

Admittedly, the mix of cash, in-kind benefits, and services was not raised extensively during the course of this review; we share the apparent public support for the present mix. However, the hundreds of millions of dollars in direct and indirect subsidies paid to social assistance recipients under these programs makes them worthy of examination. Although adequacy has been discussed in this chapter primarily in terms of cash payments, non-cash or in-kind payments are extremely important in the overall configuration of social assistance. For example, if all benefits are paid in the form of cash, higher break-even points result. (The break-even point is the dollar amount at which outside income reduces cash benefits to zero.) On the other hand, when some benefits are paid in kind as opposed to in cash, notch effects can occur: that is, the loss of the cash benefit results in the simultaneous loss of the in-kind benefit, given that eligibility for the latter is tied to eligibility for the former.

When the FBA and GWA programs are merged, in-kind benefits should be uniform for all recipients. This should remove a number of major irritants – for example, the different approaches now taken to the provision of dental care within the two programs, which were a source of frequent complaint in the public hearings. The overall task then becomes to determine the appropriate split among cash, in-kind payments, and services. This raises three questions:

- Should vouchers be used?
- How can the serious impact of the notch effect be avoided?
- How can the approach to different services be harmonized to avoid unintended results?

Vouchers

Many favour vouchers rather than cash for social assistance purposes, because vouchers are earmarked for a special use. The most familiar form of voucher is food stamps, widely used in the United States. Vouchers are usually allotted on a different basis than social assistance, although there is no ironclad rule in this regard. Others believe, as we do, that vouchers add yet another layer of complexity to the benefit structure, are highly stigmatizing, and cause major administrative problems.

Vouchers should not be used as a means of transferring social assistance benefits. However, insurance mechanisms like drug and dental cards are important, nonstigmatizing methods of delivering a range of services such as health care, dental care, and drug needs to all those who receive them, including social assistance recipients.

Break-even Levels and Notch Effects

As noted above, a break-even level is the point at which outside income reduces benefits to zero. A notch effect occurs with the loss of benefits when outside income renders people ineligible for social assistance. Consider, for example, the disabled person whose CPP income exceeds his or her social assistance income. At the point of ineligibility, the recipient may have gained a few dollars in extra CPP income, but the resultant loss of OHIP and payments for drugs, dental care, eyeglasses, and hearing aids will greatly exceed the value of the additional cash benefits.

In a paper prepared for the committee, Ernie Lightman has noted:

> The treatment of the various benefits in-kind available to recipients of social assistance presents a fundamentally intractable dilemma, in that they tend to be, in the economist's language, "indivisible or lumpy"; that is, however one deals with it, one day the individual is in receipt of a drug or dental card and the next day he is not. The implicit marginal tax rates at the point of loss of these benefits can be very high, particularly when a number of benefits are combined or "stacked" and all terminate at or near the same point.[14]

A number of programs, principally CPP and the federal spouse's allowance, provide cash benefits sufficiently high to remove large numbers of recipients from social assistance without any compensation for the loss of in-kind benefits. The usual response of the Ministry of Community and Social Services over the past 15 years has been to "grandfather" recipients who suffer this loss. This means that former recipients are permitted to keep their in-kind benefits, even though they are ineligible for further cash assistance. In effect, the social assistance system simply pretends that they are still eligible.

Although we find it laudable that recipients leaving the system continue to receive their benefits, this situation creates major inequities between recipients and non-recipients, as well as a questionable lottery effect based on the announcement date of higher benefits.

RECOMMENDATION 69

In the short term, when calculating benefits, the average monthly costs of in-kind benefits should be added to the value of the benefit itself.

Because both cash and in-kind benefits would be taken into account in determining the point at which outside income would reduce benefits to zero, recipients would not lose in-kind benefits until they had enough money to pay at least the average cost of the in-kind items for which they would no longer be eligible.

In the longer term, as already noted, social assistance recipients and the working poor should have access to many of these benefits through mainstream jurisdictions like the ministries of Health and Transportation and as part of programs directed at all who need them. As a simple but important example, the Ministry of Health should have programs that provide drug and dental benefits to low-income persons. It is wrong to exclude social assistance recipients from these programs and to provide for them separately. Through negotiations with the federal government, it should be possible to avoid resultant cost-sharing difficulties.

Harmonization

A problem occurs with those who receive income-tested benefits from more than one source, in that the benefits are reduced and terminated on the basis of a single increase in income. One example is the single parent with earnings living in OHC accommodation, whose effective benefit-reduction rate over a broad range of earnings is at least 125% for each dollar earned, due to the 100% recovery rate on Family Benefits and the 25% increase in rent. Aside from the obvious disincentives to work, differences between tests across programs are seldom uncomplicated. Recipients often face different definitions of income, different thresholds, different recovery rates, different treatment of assets, and differing break-even points.

RECOMMENDATION 70

The government should seek methods of harmonizing different needs tests across different programs, with a view to eliminating the major discrepancies that result when the programs operate independently of one another.

5

OPPORTUNITY PLANNING AND HUMAN RESOURCES

In Chapter 4, we detailed our proposed changes to the benefit structure, which will affect the amount of income support provided to recipients. The provision of income is essential, but it is not the only type of help provided by the social assistance system; this chapter will describe the forms of assistance that should be delivered by the social assistance system and that will be unique to the system itself.

The actual method of delivery of social assistance and the organizational structure of the delivery system are discussed in Chapter 7 and Chapter 8 respectively. In addition, there are a multitude of other social and support services that will be crucial to the successful transition from social assistance to self-reliance. These range from on-the-job training programs to literacy training to child care; they will be discussed in detail in Chapter 6.

Recipients must be given the option of another way of life and the possibility of attaining it.

Social and Family Services, Sault Ste. Marie

The focus of the current social assistance system is perhaps best exemplified by the job title of the staff members who provide income, the "income maintenance" workers. The very word "maintenance" implies a relatively static situation and a passive approach to helping recipients. It does not connote the necessary effort to help recipients change the status quo.

Some attempts have been made during the last decade to expand the role of the social assistance system so that it entails something more than income maintenance. A number of factors have influenced such efforts, including a recognition that most recipients have a basic desire to contribute to society and to be self-sufficient, and to do that through employment whenever possible.

Recognition of this need for social assistance to take a more active role has resulted in the development of a variety of initiatives designed to increase the self-reliance capacity of recipients. Many of these programs are described in Chapter 6. These are positive initiatives, but they are not uniformly available across the province, nor do they come close to meeting the need – actual or potential.

TRANSITIONS

Failings of the Current System

The committee's public hearings provided valuable information about the social assistance system. We heard from both recipients and staff, and what we heard indicates that there are serious problems with the present delivery of social assistance; some of these are described below.

Philosophical Orientation

The primary function of the existing system is the provision of income, with specific emphasis on issuing cheques and monitoring eligibility. With this focus, the system fails to see recipients as people in transition who may need and benefit from a range of social services and support services.

The present system's philosophical orientation also engenders an adversarial relationship between staff and recipients. Income maintenance workers are often seen not as helpers, but rather as the people whose job it is to restrict the amount of income that individual recipients receive.

Demands on Workers

Perhaps the greatest impediment to an improved social assistance system is the often unreasonable and sometimes impossible demands placed on workers. Very high caseloads and a heavy workload often result in staff being overworked.

In addition, there is ambivalence and confusion about the role of income maintenance workers. Are they primarily advocates for their clients or defenders of the public purse? The role confusion leads to imprecise job descriptions and expectations. This, in turn, means that there are great variations in the knowledge and skills of workers across the two-tier delivery system. These inconsistencies are compounded by a serious lack of training and little opportunity for professional upgrading and career advancement.

The excessive demands placed on staff and the limited supports available to them lower the quality of assistance they provide.

Access to Services

A major problem that was raised frequently during the public hearings is recipients' lack of access to a range of social and support services. One aspect of the problem is a lack of information. Given the demands on workers' time, the onus often falls on recipients to identify for themselves the programs that may benefit them, but comprehensive information about such services is not readily available, and even when it is, little help is provided to help recipients decide which service might be most appropriate or how they might apply. The difficulty of obtaining information is compounded for some recipients by an unfamiliarity with English or a lack of basic literacy skills.

A significant barrier to social and support services also results from the realities of life in rural, remote, and northern parts of the province. Not only is the range of available services limited, but access to those services is more difficult because of the distance between communities and the lack of public transportation.

Complexity of the System

The lack of information about the range of social and support services potentially available to recipients is made worse by the lack of co-ordination between services. This results in gaps in service on the one hand and overlap or duplication on the other. The social system as a whole consists of an incredibly complex maze of services that are often connected more by chance than by planning. This complicated and intimidating system prevents many recipients from identifying and taking advantage of services that may benefit them.

Conditional Entitlement

Provisions of the present system require some recipients to meet conditions in order to receive or continue receiving benefits. Unemployed but employable recipients of GWA, for example, may be required to perform a number of job searches in a given time period. These conditions can be unrealistic. A requirement to perform job searches in a community with a high rate of unemployment is not only discouraging to the recipient but a nuisance to employers. For many, the expectations are unhelpful because they are not tailored to the individual's particular circumstances.

The policies governing conditional entitlement are often unfair. For example, while specific and sometimes unrealistic conditions are imposed on recipients, there is no reciprocal obligation for the system to provide the necessary services that would enable them to meet these conditions.

A Restructured Social Assistance System

We believe that a fundamental change in attitude is a prerequisite to resolving existing problems. The system must view recipients of social assistance as being in a period of transition. A philosophical reorientation is needed so that the provision of assistance to become self-reliant and active participants in the life of the community will be considered just as important as the provision of adequate income to meet basic needs.

Revamping the social assistance system will require major changes in the way in which we recruit, train, and support those who work within the system. We believe it calls for the development of two primary and complementary staff positions: the income support worker and the opportunity planner.

Establishing opportunity planning entails much more than the simple creation of a new staff position. It must include a new approach to providing help to recipients of assistance. Opportunity planning will be the means by which recipients are enabled to make the transition from dependence to self-reliance. It should also include different approaches to certain groups who have special needs.

Finally, the evolution of a new and more effective social assistance program will entail the application of new rules governing conditional entitlement. These rules will be closely linked to the opportunity planning process.

Foundations of the New System

Two primary and basic forms of assistance will serve as the cornerstones of the new system: income support and opportunity planning. Income support is the equivalent, in many ways, of what is now referred to as income maintenance. Opportunity planning, on the other hand, is a relatively new concept.

Income support and opportunity planning are separate but complementary; both are integral to social assistance, and both are of equal importance.

RECOMMENDATION 71

Income support and opportunity planning should be instituted as separate but complementary forms of assistance that are integral to a restructured social assistance system.

OPPORTUNITY PLANNING

The most important aspect of opportunity planning is that it will be individualized. The opportunity planner and the recipient will develop an action plan that builds on the recipient's existing skills and strengths and is in keeping with the resources and opportunities in the community. The jointly developed plan will take into consideration the recipient's longer-term goals and aspirations and will identify the activities, services, or programs that might enable the recipient to attain his or her personal goals. Clearly, if it is to succeed, this kind of assistance must be tailored to the individual to the greatest extent possible.

Precedents for Opportunity Planning

In recent years, an increasing number of initiatives have been launched to help recipients reduce their dependence upon social assistance. Many of these programs also have an individualized planning component.

Voices

Recipient	*You have me thrown in a deep hole and you won't throw down a rope or ladder for me to get out of it.*
Recipient	*Changes have to be made, staff has to tell people what they are entitled too. I have worked all my life and I'm now just turned 38 and I'm not dead just disabled. I intend to rejoin the work force again go back to school and not sit here and vegetate in a wheelchair. I am fed up running in circles going hungry, not being able to provide for my children or myself and I* will NOT *give up. I want someone to stand up and listen. There are so many employable people out here who need help to get on track not pushed back.*
Recipient	*My particular concern is that people who find themselves in that Welfare Lifeboat should use the time for planning, or for regrouping, if you will. I think that if recipients are aware of the services and opportunities available, and if they are given community support, they will utilize this time to its full extent, work towards goals, and eventually realize their expectations.*
Barbara Caldwell, President, Cleanwear Products, Scarborough	*It seems to me the only acceptable goal of any social assistance program should be to put itself out of business. In other words, all decisions regarding the program should be made with a view to helping the recipients be self-sustaining and independent. There is no doubt that the current system falls short of this ideal, perhaps partly because this premise has not been adopted and/or built into the training of the employees of the system.*

Greater Avenues for Independence (GAIN)

A state-wide initiative, the GAIN program was launched in California in 1985. The specific features of the program vary across the state, and no formal program evaluation has yet been undertaken.[1]

The GAIN program is primarily directed to helping recipients of assistance to move into the labour force. Participation in the program is available for all recipients, but it is mandatory for two-parent families whose primary wage-earner is unemployed and for sole-support parents whose youngest child is at least 6 years of age. Participants in the GAIN program are first provided with a group orientation, then tested individually for literacy and numeracy. Factors such as duration of assistance and level of formal education are also taken into consideration and result in a referral to one of 11 program activities, ranging from on-the-job training to skills upgrading courses. Costs of child care, transportation, and work-related expenses are subsidized for participants.

It is hoped that completion of the relevant program activities will end in employment. If not, participants are referred for additional assessment and the development of a more individualized activity plan. Participants who become employed are provided with limited follow-up at regular intervals after they begin work.

Sanctions may be imposed on those whose involvement in GAIN is mandatory but who do not participate. Reluctant participants are first referred to a process of conciliation. If that is unsuccessful, the worker assumes full responsibility for management of the recipient's money. Eventually, parents may lose their entitlement to benefits although money will still be provided for dependent children.

Employment and Training Choices (ET Choices)

Perhaps the best-known American program to increase the economic self-sufficiency of welfare recipients is the ET Choices program initiated in Massachusetts in 1983.[2]

Unlike California's GAIN program, ET Choices makes participation completely voluntary, although certain groups are targeted for extra encouragement to participate. Targeted recipients include unemployed wage-earners in two-parent families, teenage dependants of recipients, and pregnant and parenting adolescent mothers. Recipients who do not choose to participate are placed on follow-up lists and contacted regularly to provide them with ongoing opportunities to participate.

Participants in ET Choices are referred to the program by their welfare workers. An appointment is made with an ET Choices worker, who undertakes an assessment of the recipient based on level of formal education, employment history, and need for social or support services. After this assessment, each participant, in conjunction with the ET Choices worker, develops an individual written employment plan, which details the specific steps to be taken to enable the recipient to become self-reliant. Implementation of each individual's plan requires his or her participation in a variety of different programs. These may include career planning, on-the-job work experience, educational or training courses, or direct job placement.

The ET Choices program is administered and funded by the Massachusetts welfare department. Welfare workers and ET Choices workers are located in the same facilities wherever possible.

Evaluations of ET Choices indicate that the program has been effective and cost-efficient. Program officials suggest that a number of factors contribute to this success. First, there are a variety of programs to meet diverse needs and clients have a great deal of choice in program selection. Second, the provision of support services like child care and transportation and the payment of health care premiums are integral features of the program. Third, there is a great deal of flexibility that enables local offices to implement the program in ways considered most suitable and appropriate to meet local needs. Finally, there is extensive co-ordination and co-operation with the various agencies that actually deliver the programs.

Employment Opportunities Program (EOP)

Ontario has also had some experience with programs designed to help recipients of assistance to move into the labour force. EOP comprises several different programs, including Employment Support Initiatives (ESI) for sole-support parents and Youth Employment Preparation (YEP), aimed at young people.

An earlier attempt called Focus on Change preceded ESI. The need for this program was recognized by the Toronto YWCA, which started Focus on Change in 1969. Its purpose was to help female single parents to return to the labour force. The program, which is still operating, includes educational upgrading and job search training. Another organization providing pre-employment services for female single parents is Opportunity for Advancement (OFA), which has been assisting women since 1974 to build self-confidence and identify skills. OFA also links women with community-based support and employment-related services.

Many of the separate programs operating under the auspices of EOP have individualized planning components. The specific features of EOP and its results are discussed in greater detail in Chapter 6.

Vocational Rehabilitation Services (VRS)

Another Ontario program for recipients that involves some elements of individualized planning is the Vocational Rehabilitation Services program. VRS serves people with disabilities and incorporates what we refer to as opportunity planning. The VRS program will receive a more thorough discussion later in this chapter and in Chapter 6.

The specific programs described above are not a comprehensive listing of all programs designed to help recipients increase their capacity for self-reliance. There are other Ontario programs, but they are often local initiatives that are dependent on the attitudes of management as well as the availability of staff resources and services.

Although program evaluation is still in its infancy, significant gains have been realized by programs like those described. One major U.S. study concluded: "The results dispel the notion that employment and training initiatives do not work...Four of the five programs studied thus far have produced employment gains for AFDC women [sole-support parents]."[3] While the success of these programs cannot be directly attributed to the development of individualized opportunity planning, that particular form of assistance is an important feature of them all.

Many of the services and programs that are vital to a successful transition from social assistance to self-reliance are not provided directly by the social assistance system. They are delivered by a variety of agents, including other government departments at all levels as well as non-profit, voluntary organizations. Opportunity planning will provide the link between recipients and these other services. The absence of such a link is one of the most serious shortcomings of the current system.

Opportunity planning will require a significant restructuring of the roles and activities performed by the staff of the social assistance system. It will necessitate changes in job qualifications and training, for example. (A discussion of the human resources changes that must accompany the new approach we advocate for social assistance will be presented later in this chapter.) Opportunity planning is as important and essential for social assistance recipients as is income support. Those with responsibility for delivering social assistance must make both available to all recipients.

RECOMMENDATION 72

Opportunity planning should be a required part of a restructured social assistance system.

This recommendation does not imply, however, that opportunity planning will be exactly the same wherever it is delivered in the province. On the contrary, the exact nature of opportunity planning will vary depending on the resources of a particular community. In addition, given the extra resources that will be needed to develop opportunity planning, the program may have to be targeted to certain groups in the initial stages (see Chapter 6). Opportunity planning must become a statutory component of the social assistance system, like income support, so that all recipients are eventually ensured access to opportunity planners.

There are two major reasons why the committee believes that opportunity planning should be a mandatory component of the social assistance system. First, opportunity planning is crucial to the success of the reforms we advocate. We believe it is a prerequisite for the successful transition from dependence upon social assistance to self-reliance.

Second, we also believe that it is reasonable, in certain cases, to attach conditions of entitlement to social assistance. We will return later in this chapter to a more thorough discussion of conditional entitlement. It should be stressed, however, that if conditions are attached to the receipt of assistance, then the social assistance system has an obligation to provide those recipients with the means of meeting those conditions. In the restructured social assistance system we propose, opportunity planning becomes the vehicle that allows the system to meet its obligation. In turn, it allows those recipients whose entitlement to assistance is conditional to fulfil their obligations and responsibilities.

The Separation of Functions

Our recommendation for two distinct forms of assistance in a restructured social assistance system raises another question. Should the two functions be delivered by two different persons, or should one worker have responsibility for delivering both? We believe that there are sufficient advantages to dividing the functions between two staff positions. In particular, separation will reduce the existing conflict and confusion about roles.

During our consultations, we discussed the problem of role confusion and conflict with both provincial and municipal employees who deliver social assistance programs. They often see themselves as the "friendly enemy". Unfortunately, many recipients see them simply as "the enemy".

On the one hand, the public assumes that the functions performed by income maintenance staff are most like social work. These workers are expected to provide advice, information, encouragement, and counselling to their clients. They are expected to advocate on their clients' behalf and, in some cases, to act as friends. At the same time, however, the formal job description of income maintenance workers entails an administrative role that has elements of policing. They determine eligibility and have responsibility for issuing cheques. They must continually monitor eligibility. In this capacity they become defenders of the system and protectors of the public purse.

The separation of responsibilities between an income support worker and an opportunity planner should help to resolve the conflicts created by the need to perform this dual role. It may also have other advantages. For example, it has the potential for a more efficient use of human resources if, as many suggest, the delivery of income requires a different kind of expertise than the kind that is required to help recipients take advantage of opportunities.[4]

Some people have argued that separation would increase the likelihood of success for what we refer to as opportunity planning. The kind of assistance provided by such planning can be more successful and effective if delivered by persons whose ability to influence behaviour is not the result of their power to affect entitlement to financial assistance.[5] Separation reinforces the principle that social assistance is an entitlement, based primarily on financial need and not upon the discretion and personal judgement of workers. And separation makes it less likely that the objectives pursued by those delivering opportunity planning will become subordinated to the objectives of those providing income support.[6] Altogether, separation should help to ensure that opportunity planning becomes as important a component of the social assistance system as income support.

RECOMMENDATION 73

Income support and opportunity planning, being related but separate functions, should be performed by different persons.

The separation of income maintenance functions and social service functions into two different positions was begun in some American states in the early 1970s. Very little research has been undertaken on the effects of separation, so the literature on this topic is inconclusive. There was some concern at the time, however, that separation would weaken the link and reduce the co-ordination between the two forms of assistance, potentially lowering the overall quality of help provided to recipients.[7]

We would naturally be concerned if our recommendation resulted in a lack of co-operation or co-ordination between the income support worker and the opportunity planner. The problem can be avoided by having some shared responsibilities, so that certain functions could be performed by either person. For example, the income support worker would interpret the rules to determine which recipients must participate in opportunity planning or which recipients would benefit most from opportunity planning. For recipients who require only limited assistance, the income support worker could act as opportunity planner as well. Some degree of shared responsibility would foster closer collaboration between income support workers and opportunity planners and help to ensure a co-ordinated and effective social assistance system.

In a restructured social assistance system, it will be essential to define clearly both the roles and responsibilities that differentiate income support workers from opportunity planners and those functions that may be shared by the two branches.

Income support workers will be applicants' first point of contact with the social assistance system. Their primary responsibility will be the determination of eligibility and entitlement. In some cases, immediate counselling or referral may be necessary to resolve emergency problems.

Recipients seen by the opportunity planning staff will have been referred by income support workers. The major responsibility of the opportunity planner will be to work with a recipient to develop an individual plan intended to take advantage of opportunities that could reduce that person's reliance on social assistance. Except in emergencies, the opportunity planners will not themselves provide the social or support services needed. Rather, they will provide recipients with the necessary information and help to pinpoint and get access to the services most appropriate to them.

Responsibilities of the Income Support Worker

The position of income support worker would encompass the following kinds of activities:

- to provide an "intake" function as the first contact with the social assistance system, which may include crisis intervention or direct referrals to emergency services, such as shelters for victims of family violence
- to gather information relevant to the applicant's eligibility
- to make a determination about the applicant's eligibility
- to inform recipients about the operation of the social assistance system and, in particular, to explain the function of the opportunity planner and refer recipients as required or as appropriate
- to advise clients of their rights and responsibilities and to inform them about the appeal system
- to identify those for whom there may be some conditions attached to the receipt of benefits and to ensure that they fully understand their obligations
- to ensure the accuracy of information in order to reduce errors or fraud
- to maintain ongoing contact with opportunity planners about recipients who have been referred for opportunity planning
- to advise recipients of how to obtain the help of advocates

Once eligibility has been determined, the income support worker will refer the recipient to the opportunity planner. The income support worker will have to determine which applicants are likely to need assistance for a very short period and are therefore unlikely to need opportunity planning. They must identify those whose entitlement to assistance is conditional and ensure that they clearly understand their responsibilities and the consequences of non-compliance. In Chapter 6, we discuss the targeting of services and whether certain recipients should receive special encouragement to participate in the opportunity planning process. If targeting strategies are developed, the income support worker will play a key role in their implementation.

Responsibilities of the Opportunity Planner

The responsibilities of the opportunity planner would include the following:

- to help recipients identify particular strengths and weaknesses they have that may affect their transition towards self-reliance

- to advise recipients of the specific services and programs that may be most appropriate and beneficial and to help them gain access to these opportunities
- to help maintain an up-to-date, system-wide database incorporating information about all services that may be of benefit to recipients
- to develop, in conjunction with each recipient, an individual action plan
- to advise recipients if questions arise about entitlements or their rights and responsibilities, or to refer them to income support workers, as appropriate
- to monitor and support the implementation of individual opportunity plans
- to identify and assist those who may be in violation of conditions for entitlement and, if necessary, to refer such cases to the income support worker
- to maintain liaison with income support workers to monitor the status of referrals
- to provide some follow-up and support to those who successfully leave the social assistance system, in order to minimize their need to return to assistance

Clearly, the opportunity planner will be required to perform many important and time-consuming tasks. The broad range of these tasks alone suggests the advantages of dividing responsibilities between opportunity planners and income support workers.

The role of the opportunity planner will take on added significance with the fulfilment of some of our other recommendations. For instance, the reduction of the current maze of categories of eligibility to only three, as recommended in Chapter 4, may make it more difficult to identify those recipients who have specialized needs. This responsibility will now be left largely to the opportunity planner.

Opportunity planning should be available to all social assistance recipients, but we do not believe that all recipients will necessarily need or would benefit from opportunity planning. The decision whether to refer a given recipient to opportunity planning can and should be made by the income support worker, with the involvement of the recipient. For those who do see an opportunity planner, the exact extent and nature of the help needed must be determined by the opportunity planner and the recipient.

The opportunity planner will ultimately distinguish between those people for whom employment is a realistic objective and those for whom it is not. For recipients who are likely to enter the labour force, the opportunity planner must determine whether direct job referral and placement or some other approach is the best strategy. In situations where employment is not feasible, the opportunity planner must help individuals develop other strategies that will increase their self-reliance and their ability to participate fully in the community.

Opportunity planning will clearly result in significant variations in the nature of individual opportunity plans and in the goals and objectives established for each participant; it will also vary from community to community. If such individualized opportunity planning is to succeed in reducing dependence on social assistance, it will require adequate resources. An opportunity-based approach to reducing dependence will only work if there are enough opportunity planners, and if their caseloads are small enough to allow them to fulfil their responsibilities to each recipient referred to them.

Specialized Opportunity Planning

Local Flexibility

Both the nature of opportunity planning and the plans developed for recipients must reflect the differences that exist across the province. There must be common guidelines for the delivery of opportunity planning, so that it is available not only in well-funded urban areas but also in the remote parts of the province and in other areas with fewer resources. Adaptations will be needed to recognize the extra problems faced by workers in remote areas and the different approaches that are needed when job opportunities are fewer.

In some circumstances, opportunity planning should be delivered through community-based, not-for-profit organizations. In some areas, multi-service centres or other programs already in existence could assume this responsibility. Since a lack of co-ordination of social and support services is one of the major shortcomings of the present social system, the benefits of a multi-service approach are obvious. If such centres assume responsibility for providing opportunity planning to recipients of social assistance while also serving the broader public, this would further our objective of providing help to recipients through mainstream programs.

In addition, not-for-profit, multi-service centres are often run by volunteer boards of directors that include a cross-section of community members. Having such centres deliver opportunity planning could serve to increase the understanding and sense of responsibility felt by the community towards fellow citizens who receive assistance, thereby reducing the stigma currently experienced by many recipients. The direct involvement of people from the community should also help to ensure that planning for those receiving assistance is suited to the needs of the recipients and to the resources available in the community.

We envisage the evolution of existing programs or the creation of new ones to produce what might be called “opportunity centres”. A small number of programs exist already that could become opportunity centres. In Kitchener, for example, the House of Friendship has a variety of residential and community programs that serve approximately 18,000 people each year. They include a shelter for former psychiatric patients, community support workers, and a program providing interest-free loans to low-income people. The Carlington Community Resource Centre in Ottawa is another example of programs that could evolve into opportunity centres. Carlington links a number of agencies that deliver a wide range of services for seniors, young people, sole-support parents and their children, former psychiatric patients, and others. It serves people of all ages in the Carlington area of Ottawa but focuses on those with low incomes.

Centres such as these would have to be consulted about taking on opportunity planning, of course, and they would have to be given the proper resources. We believe the concept of opportunity centres has great potential and warrants serious consideration. Although we have used the word "centre", the term refers as much to a particular approach to helping as it does to a physical location. The opportunity centre approach would directly involve community members in the planning and delivery of a co-ordinated range of services needed by social assistance recipients, so that they would receive these services, wherever possible, through mainstream programs offered to the broader public as well.

RECOMMENDATION 74

Consideration should be given to using existing multi-service or other community-based groups as "opportunity centres" to deliver the opportunity planning program.

Recipients with Specific Needs

While impediments to self-reliance exist for all recipients, some barriers are specific to certain groups. Specialized approaches to opportunity planning may help to meet the special needs of particular groups of recipients, allowing for a more efficient and targeted use of financial and human resources while still providing assistance that meets individual needs.

There are many advantages to having existing not-for-profit groups deliver specialized opportunity planning. Since many agencies already provide assistance to specific groups with high degrees of dependence upon social assistance, using them would help to ensure that opportunity planning is attuned to the needs of these groups. By using and building on existing organizations, specialized opportunity planning could be implemented relatively quickly and without overlap and duplication. Finally, as we have discussed, the use of not-for-profit groups to deliver opportunity planning may help to harness and co-ordinate the efforts of members of the community to plan on behalf of people in need.

RECOMMENDATION 75

Existing programs with specialized experience in helping recipients with specific needs should, where feasible, be given the option of serving as delivery agents for opportunity planning.

In the following section, we will identify several groups of recipients with specific and even unique needs. This list represents only some of the people whose needs may best be met by specialized approaches to opportunity planning.

SOLE-SUPPORT PARENTS

In Ontario, female sole-support parents and their children make up a disproportionately large segment of social assistance recipients. As we heard during the public hearings, however, many women are eager to take advantage of educational, training, or job preparation programs that would enable them to move into the labour force.

In helping sole-support parents, their needs as parents must be balanced with their needs as individuals. The initial help provided may not be job-related if employment outside the home is not seen as a realistic short-term objective. It should, however, include help to develop a long-range plan to encourage and help parents to prepare for the day when their children are older. With early planning, fewer of these women will find themselves in another recipient sub-group, the "empty nesters", in their later years.

Opportunity planning may best be delivered by organizations that already specialize in working with sole-support parents. The Opportunity for Advancement program in Toronto and the Pinecrest Queensway Community Centre in Ottawa are examples of existing agencies working primarily with sole-support parents that might deliver opportunity planning. The Ontario Women's Directorate has developed a proposal for the establishment of a Women's Trades Training Centre to increase the number of women in non-traditional occupations. Such a plan might also accommodate an opportunity planning component.

We believe a specialized approach to opportunity planning is particularly important for two groups of sole-support parents: adolescent mothers and victims of family violence. For these two groups, the need can be met through increased support to programs that already exist, although they do not reach enough potential clients.

The needs of adolescent sole-support parents are especially acute. Young women in this situation would benefit from being able to receive opportunity planning through an agency like Jessie's Centre for Teenagers in Toronto. Jessie's is a comprehensive program attempting to meet all the needs of pregnant and parenting adolescents.

For sole-support parents who are victims of family violence, safety and stabilization are the first and primary needs. Housing often poses particular problems; abused spouses may also need extensive support to navigate through and cope with the court process. Victims of violence may need additional help to achieve self-reliance because of the effects of abuse. Intensive personal counselling may be required, for example. Transition houses have become particularly skilled at providing the range of services that abused women need and thus should be seen as a logical resource from which to purchase opportunity planning.

YOUNG PERSONS LEAVING HOME

Of particular concern to this committee are those young people who leave home at an early age and end up receiving social assistance. Many leave home as a result of a family crisis that has not been resolved. Often, they have little of the education, skills, and work experience that would allow them to be independent. Most have problems finding housing and, with no family network available to them, they may require intensive support and counselling. While young people who leave home early may not seek assistance immediately, they run a high risk of ending up as long-term dependants. Young people will require specialized assistance or expertise to resolve the family crisis or to help them deal with it. They may also require help related to health or housing as well as education or career planning, and ongoing monitoring and follow-up.

A recent draft report prepared for Covenant House in Toronto, a shelter for homeless youth, indicates the extent to which many young people are vulnerable and at great physical risk.[8] The report resulted from a survey of 195 adolescents 16 to 21 years of age who received help in the summer of 1987 from Covenant House. Fully 86% of those surveyed indicated that they had at least one physically abusive experience before leaving home; 67% reported a physically abusive experience on the street after leaving home.

Many young people leaving home are in limbo. If they are between 16 and 18 years of age, they are normally ineligible for social assistance and beyond the help available from the child welfare system. Nor can they easily get the help they need to avoid abuse, whether in the home or on the street. This problem also affects many young people over 18. There are only a few existing organizations with the expertise to help these young people at risk.

One of our recommendations in Chapter 4 should help to resolve this dilemma. We propose that all young people 16 or older and not living at home should be entitled to receive social assistance in their own right. We strongly believe, however, that their receipt of assistance must be linked to their participation in opportunity planning, to ensure that they receive the specialized help they need.

The situation of young people who have left home is special enough that opportunity planning is best delivered to this group by people who have experience working with youth and families. There are a variety of youth agencies across the province that might be contracted with to deliver opportunity planning. In Toronto, for example, Central Toronto Youth Services, a children's mental health centre, already provides a variety of services to hard-to-serve adolescents. The Youth Services Bureau in Ottawa has outlets throughout the city that provide a range of services and programs. In Windsor, the Adolescent Crisis Centre is a crisis intervention and referral program for young people. These are all examples of existing agencies that might be used to deliver specialized opportunity planning for vulnerable young people.

WARDS LEAVING THE CHILD WELFARE SYSTEM

The most vulnerable young people of all may be those who leave the care of the child welfare system. The termination of wardship leaves many young people on their own with virtually no supports to help them maintain independence. As a result, they run a grave risk of encountering physical or even sexual abuse on the streets and, ultimately, of "graduating" to the social assistance system. In Chapter 6, we discuss in greater detail the kinds of services we believe are needed by former wards. But we also believe that this group requires a specialized approach to opportunity planning. Preferably, it should be delivered by an organization with experience working with wards or former wards.

One program with this kind of approach is the Pape Adolescent Resource Centre (PARC) in Toronto. Co-sponsored by the Children's Aid Society of Metropolitan Toronto and the Catholic Children's Aid Society, PARC is financed in part through the Employment Opportunity Program (EOP) of the Ministry of Community and Social Services, specifically, the Preparation for Independence component.

PARC began in the fall of 1985 with a mandate to help wards in Toronto to make the transition from agency care to independence. It makes available to wards and former wards 15 to 21 years of age a variety of services intended to help their integration into the community, including housing referrals, employment preparation and training assistance, literacy courses, and so on. Not only is PARC an example of what we mean by a specialized opportunity planning approach to wards; it is further evidence of the extent to which specialized opportunity planning, with appropriate resources, can be provided by using agencies and groups already in existence.

PEOPLE WITH DISABILITIES

The provincial government currently provides a form of opportunity planning for people with disabilities. It is the Vocational Rehabilitation Services (VRS) program.

VRS was established in 1955. At that time, it was the first legislated program of its kind in Canada. Federal cost-sharing of the program began in 1962 with negotiation of the Vocational Rehabilitation of Disabled Persons (VRDP) Agreement. Under VRDP, the federal government may contribute 50% of the sharable costs of the program and 50% of the expenses for the individual vocational rehabilitation of persons with disabilities. Recently, VRS has been serving approximately 14,000 clients per year at an annual cost of about $20 million.

In order to be eligible for the program, individuals must be determined "vocationally handicapped". They must also have an apparent potential for the following occupational activities: full-time or part-time competitive employment, non-competitive employment, or homemaking (the management of a home for the benefit of oneself and at least one other person). Employed persons are technically not eligible for VRS. Assistance to maintain or advance in employment may be provided on a discretionary basis, however, if it appears that a person's continued employment might otherwise be in jeopardy.

As a brokerage program, VRS relies on various public and private-sector resources to deliver a wide range of specialized goods and services. The details of these are discussed in Chapter 6. Because many of the goods and services are obtained and often purchased from other agencies, the actual role of VRS is one of linking clients to the most appropriate resources.

In managing this process, staff must exercise knowledge and skills in such areas as:

- understanding the wide range of disabilities and their implications for daily living, especially employment;
- assessing associated special needs and determining how to meet them;
- identifying available and suitable community resources;
- developing supportive relationships with clients;
- developing individualized vocational or avocational plans; and
- co-ordinating, facilitating, and following up referrals to community resources.

Currently, this expertise is used to assist individuals in pursuing only vocational goals. Clearly, though, it is applicable to the planning of any independent community living option.

At present, the VRS program is considerably underutilized by social assistance recipients with disabilities. Although approximately 50% of the VRS ongoing caseload is made up of recipients, those recipients represent only 3% of the approximately 80,000 FBA recipients with disabilities. We attribute this underutilization to a serious lack of co-ordination between VRS and the social assistance system. Only 4% of referrals to VRS are made by the FBA program. The more common pattern is for people to enter the VRS program first and then apply for social assistance.

Two major factors probably explain this lack of co-ordination. First, the two programs have very different eligibility criteria and different procedures for determining disability and employability. Our recommendations to resolve this problem are discussed in Chapter 4 and Chapter 7. Second, social assistance provides insufficient financial incentives for people to pursue training and employment opportunities, a subject we address in greater detail in Chapter 6. With the implementation of these and other recommendations, we expect a significant increase in the number of disabled recipi-

Robert, 32, Hamilton

Robert is a public school dropout with a debilitating foot problem. I've been on General Welfare on and off since I was 18. Since my foot problems began seven years ago, I've been on it steady, with some odd jobs here and there.

After I finished grade 7, I enrolled in a three-year vocational program where we learned restaurant and bakery work. I didn't think I'd be the type of person to go through high school and university because I didn't have patience with school. I figured with the vocational training I could get out of the house, get a good job, and afford things like a car. Things didn't work out like I thought they would. I really regret not getting grade 12. At the time I thought I was making the right decision. But now I know you can't get anywhere without an education. The world is changing; everything's computerized. You need a good education to figure out the world today and it hurts when I'm looking for work. I'd like to be able to put down grade 12 on an application and have at least a chance of an interview.

I've worked as a short-order cook and picked up jobs driving trucks and working on an assembly line. You didn't need much experience to get these jobs. I learned real quick, and if you can read and write you've got them down pat. I've never had one steady job. The places I worked would go out of business, or lay people off. Sometimes I'd quit for a better job. I only got fired once. I rarely worked long enough at one job to get unemployment insurance.

"Nothing I wouldn't do if I could"

When I was 26, my foot problems started and things began to fall apart. It was like somebody put a hammer through a window and smashed it. Work got harder to find. My marriage broke up because my wife wanted a better life. I was in the hospital all the time. I thought about taking my own life. I was born with the foot trouble and doctors can't guarantee that they can fix things totally. They have trouble figuring out exactly what's wrong. I've had surgery but my feet are still painful, blue, and swollen. I can't sit, stand, or walk for too long. Welfare sent me to a rehabilitation course to see what I could do, how my feet would hold up. But it was a bunch of junk, a waste of time. All we did was fix stuff like lamps or build planters. It wasn't getting me anywhere. I don't mind taking a program if it will help me in the long run.

The doctors say the only work I can do is stand-up/sit-down work, like desk work. I've never worked in an office before. One doctor told me to work in parking lots but you can't earn enough money doing that. But there's nothing I

[redacted]

wouldn't do if I could. If it's a job, I'll take it, because it beats sitting at home doing nothing. I'm not hard to please, but there's not much I can do any more. I fail the medical exams. I still look for work, hoping someone will take a chance on me. A lot of doors close, but maybe one will open. If you don't expect much when you go out looking, it's not as disappointing. But it does get me pissed off.

Doctors can't decide

I've been trying for the past few years to get disability as an unemployable person. Welfare says I'm partially employable and keeps asking for medical forms. Different doctors put different things on the forms, so welfare says they can't make a decision. It's like flipping a coin. Heads says I'm employable and tails I'm not. Either you're employable or you're not. Welfare doesn't know what to do with me. They're not giving me the proper help. The welfare workers don't tell me what's going on; they pass me around like a piece of dirt. They come down pretty hard, figuring I'm basically healthy and could get a job. They're playing a big head game. They don't like me and I don't like them. But I'll keep fighting for the disability. I don't care any more. They've taken my pride and everything from me. I'm just trying to work my way back up. It's my future they're dealing with.

It's not that I want to be on welfare. Welfare is a piece of garbage. No human can live on it. My friends call me a bum. But they don't know any better. It's tough to find work and even harder with my feet. I never thought I'd be on it for so long, but with my feet, somehow I just knew it was going to happen this way.

ents who will seek employment opportunities. Since the VRS program already provides a form of opportunity planning, it is logical to establish a formal linkage between VRS and the social assistance system, so that VRS becomes the major provider of opportunity planning for recipients with disabilities.

RECOMMENDATION 76

Opportunity planning for recipients with disabilities should be delivered through the Vocational Rehabilitation Services program (VRS), with a formal linkage established between VRS and the social assistance system.

We believe the VRS program can be adapted immediately to more effectively serve social assistance recipients with disabilities. Under its current mandate, however, the program is restricted to assisting only those capable of pursuing employment. Opportunity planning must encompass strategies for self-reliance that are more inclusive. Clearly, if VRS is to provide help with vocational opportunities, it is only logical that it also assist individuals with other independent community living options. As we noted earlier, VRS is well suited to providing a more comprehensive form of assistance.

RECOMMENDATION 77

The mandate of the VRS program should be broadened so that opportunity planning becomes available to all people with disabilities for the broader purpose of independent community living, including employment. The program should be renamed to reflect this change.

In the short term, the opportunity planning provided by VRS would include the purchase of specialized goods and services that are not available through other provincial programs, although, as we recommend in Chapter 6, such services should increasingly become available through mainstream programs. VRS would continue to be available to all people with disabilities, not only recipients of social assistance.

Further changes to VRS are likely to be required over a longer period, in order to be consistent with our long-term recommendations. For example, we envisage the development of a new disability income system; with that system in place, people with disabilities would no longer receive income through the social assistance system. As that new system evolves, it may make sense to transfer responsibility for opportunity planning for disabled people away from the Ministry of Community and Social Services, so that it becomes an adjunct of the new income program.

MULTICULTURAL GROUPS

Members of multicultural communities often have unique problems and needs. Clearly the lack of necessary language skills can and does pose serious barriers to improving self-reliance. For example, unfamiliarity with English or French may restrict employment opportunities to low-paying, insecure, service-sector jobs.

The language barrier may also limit access to a range of programs and services that may increase self-reliance. This access is further restricted by the inability of the present system to offer much assistance in languages other than English. The frustration created by the inability of many workers to communicate with their clients can be further compounded by a lack of understanding and sensitivity to cultural differences.

The shortcomings of the present system that are especially troublesome for multicultural communities must be eliminated. In Chapter 7, we make proposals designed to help staff improve the quality of service provided to members of multicultural communities. A specialized approach to opportunity planning may also prove beneficial.

A variety of organizations already providing help to members of various cultural groups might also deliver opportunity planning to recipients who may need such assistance. COSTI-IIAS (Italian Immigrant Aid Society) immigrant services in Toronto is one example; another is the Ottawa-Carleton Immigrant Services Organization. Using such organizations to deliver opportunity planning may help to ensure that recipients from various cultural groups get access to the range of resources they need and that the service and help they receive is culturally appropriate and relevant.

NATIVE PEOPLE

In Chapter 9, we describe the changes we advocate to the delivery of social assistance to Native people. One component of that change would be a specialized approach to the delivery of opportunity planning to Native people living off reserves.

To ensure the delivery of appropriate opportunity planning, it may be useful to contract with Indian and Métis Friendship Centres. These centres exist throughout the province and already provide a variety of services to Native people. If they were also to deliver opportunity planning, it might help ensure that the opportunities provided are appropriate and respect cultural differences. Many more changes are required to improve the delivery of social assistance to Native people, however, and this subject is discussed in detail in Chapter 9.

FARMERS

One group of social assistance recipients or potential recipients is in a unique situation. The recession and economic restructuring in the first half of the 1980s was especially difficult for farmers. Many found themselves in such reduced financial circumstances that for the first time in their lives they had to consider the possibility of seeking help from programs like social assistance.[9] Farmers are unfamiliar with the social assistance system, and the system in its turn has had very little experience with them. A number of current provisions, in fact, virtually preclude eligibility for many farmers, even those whose financial need is great.

Ontario's farmers resent being placed in a position where they have to turn to social assistance for financial help. They believe their financial difficulties result from low and unfair prices. If they received a fair price for their products, they argue, they would have no need to turn to social assistance.

We do not believe that it is appropriate or desirable for farmers to end up relying on income from social assistance as the means of staying in farming. But we do not believe that farmers should automatically be excluded from assistance. Farmers should have access to services that would help them either stabilize their operations or make the transition to another occupation if farming is no longer viable. However, these services should not be delivered through the social assistance system.

In Chapter 4, we propose changes that would make farmers more easily eligible for social assistance, including a grace period before farmers receiving assistance would be required to dispose of their assets. This grace period would enable farmers to develop a plan that would allow them either to continue farming or to explore other means of returning to a position of self-sufficiency.

Specialized services are best provided through a number of existing federal and provincial programs. For those willing and able to stay in farming, for example, the federal Farm Debt Review Board has functioned as a mediator between farmers and creditors. The provincial Ministry of Agriculture and Food has provided help through its Farm Family Advisor Program. We understand that there are discussions about better integrating these two programs, a move we would support.

Programs have also been developed for those for whom farming is no longer a viable activity. In December 1985, the province implemented a program called Farmers in Transition for those who have had to give up farming. Part of that program was subsumed under the federal Canadian Rural Transition Program, which was implemented in September 1986. The federal program has a number of good features. It provides financial support for up to six months after someone ceases farming, as well as job search and travel assistance and personal, legal, and financial counselling. We have been told, however, that only a small proportion of those eligible have taken advantage of the program and that the perception of the program among farmers is not very favourable. This may be in part because it is delivered through Canada Employment and Immigration Centres, which are felt to be more sensitive to the needs of people living in urban centres.

The existing programs may still have shortcomings that need to be resolved, but we believe they are the sorts of programs best suited to helping farmers do the necessary opportunity planning. If social assistance is made available to those who need it while they are engaged in planning, and if income support workers become skilled at helping recipients to take advantage of these special programs, then there should be a much greater likelihood of appropriately meeting the needs of farmers in times of financial crisis.

Conditional Entitlement

In Chapter 1, we stated clearly that entitlement to social assistance in a restructured system should be based on need. The system's willingness to meet financial need ought not to be limited by individual staff members' judgements about applicants or recipients' willingness to engage in behaviour considered acceptable by the broader community.

We did give serious consideration, however, to the question of whether specific situations or circumstances might legitimately require that the principle of entitlement should be circumscribed. Is it appropriate, for example, to attach conditions to the receipt of social assistance in some circumstances for some recipients? If so, what kinds of conditions might be considered reasonable? If conditions are attached, what sanctions can or should be applied for failure to meet those conditions?

The issue of conditional entitlement is one of the most complex and controversial subjects to be addressed in any debate about reforming the social assistance system. In many ways, it allows for very little middle ground. On one side of the debate are those who believe that personal misfortune is usually a result of some problem in society rather than a fault or shortcoming of the individual. As a result, society has a moral obligation and a responsibility to meet and provide for basic human needs without any strings attached. On the other hand, it is argued that there will always be some people capable of independence who will abuse and take unfair advantage of a system that provides basic necessities for all without restriction. Failure to limit the potential for such abuse, it is said, will not only compromise the financial integrity of the system; it will weaken the public's support for social assistance and punish those deserving of assistance as well as those who are undeserving.

During the public hearings we heard overwhelming evidence that the vast majority of social assistance recipients would be willing to take advantage of any opportunities provided them to help achieve self-reliance, without being compelled to do so. Nonetheless it is equally clear that there are a small number of people who are unwilling or unable to respond to such opportunities.

Current Practice

Ontario, like other jurisdictions in North America, currently attaches some conditions to social assistance. Unfortunately, they are applied unevenly across the province.

At present, no conditions are attached to FBA. Once eligibility has been determined, no expectations are placed on recipients that would affect their continuing entitlement. Under the current provisions of the General Welfare Assistance Act, however, municipal and Indian band administrators are able to exercise a great deal of discretion in applying conditions to the receipt of benefits. The conditions usually involve work testing for employable recipients and their spouses; the welfare administrator must be satisfied that the applicant or recipient is making a concerted effort to obtain employment.

We were advised that work testing standards vary considerably across the province. Some municipalities impose rigid and excessive conditions, with expectations for job searches that are unreasonable and unrealistic. In some communities, employable recipients are automatically cut off from assistance in the spring when, we assume, it is expected that there will be more employment opportunities. We found it ironic that the most rigid expectations are often imposed in those parts of the province where the economy is weakest and employment opportunities most limited. On the other hand, we did hear about municipalities that take a more enlightened approach to conditions and tie expectations to meaningful opportunities. Included here are municipalities that have implemented job development programs or that make employment resource kits available to recipients.

This variety of approaches to conditional entitlement characterizes the assistance programs of many other jurisdictions as well. The variations are in three principal areas: the nature of the client group affected, the type of conditions imposed, and the form of sanction that is applied if conditions are not met.

In most cases, conditions are not imposed on people with disabilities or people who are considered "unemployable". For employable recipients, the expectations vary across Canada. In parts of British Columbia where a large farm labour pool is needed, applicants are referred to jobs before being granted assistance. Recipients of municipal social assistance in Halifax are required to submit a job search record, listing on a daily basis where they have made applications for employment. In Alberta, assistance is terminated if recipients are not actively seeking work and if they do not participate in the Employment Opportunities Program, which provides counselling as well as job and training placement. The application of conditions varies most in regard to sole-support parents. In some jurisdictions, no conditions are imposed. In others, especially in the United States, conditions are applied to sole-support parents, but they may vary depending on the ages of the children.[10]

The nature of conditions varies as well. Far more prevalent in the U.S. than in Canada are conditions that require people to work for their welfare. The work expectations are often fulfilled through public-sector agencies. This specific condition, known as workfare, is unacceptable to members of this committee for reasons we detail in Chapter 6. In some cases, receipt of assistance is conditional on participation in a training program. Many American states require participation in courses that teach job search skills and techniques in order to receive benefits. In general, there has been an expansion in the range of activities that may be required of sole-support parents as conditions of receiving assistance.

When conditions are set, a variety of sanctions may be imposed for failure to fulfil the conditions. The benefit may be eliminated completely, or it may simply be reduced. In some cases, it will be reduced but only for a specific period of time. Or initial payment of the benefit could be withheld until the required activity is performed.

Conditional entitlement policies can reduce expenditures on social assistance in the short term. It is not known, however, if these savings will be offset by long-term costs that result when rigid conditional entitlement policies force people to take dead-end jobs that eventually lead them back into the social assistance system. There is virtually no research that evaluates policies of conditional entitlement.

The controversial topic of conditional entitlement has been addressed in most recent reports on social assistance. Disagreement on this issue among members of a Manitoba task force that reviewed social assistance in 1983 resulted in a minority report.

Arguments in Favour of Conditional Entitlement

Those who argue in favour of attaching some conditions to the receipt of social assistance suggest that conditions are the norm in day-to-day interactions between citizens and the state. The state has certain responsibilities that it must fulfil on behalf of individual citizens; individual citizens have certain rights, therefore, but they also have responsibilities to their fellow citizens. A social contract exists, in other words, between the two parties. If the state has a responsibility to assist those in need, it is reasonable to expect that recipients may have some responsibilities to the state, which they can meet by fulfilling certain conditions. This form of mutual responsibility between the state and social assistance recipients is considered to be one element of the social contract. The 1986 report of the Task Force on Poverty and Welfare in New York State premised its recommendations on this philosophy of a mutual and shared responsibility.[11]

Others argue that conditions, with sanctions for non-compliance, are necessary as a financial control. There must be some method to prevent abuse by people who do not need assistance but who will take it when there are no conditions attached. If controls are not in place, public support for social assistance will be further weakened, it is argued, and the public will perceive all recipients to be possible abusers of the system. As a result the majority of recipients, who clearly need assistance, will suffer along with those, however small the number, who do not really need help.

Finally, it is argued that attaching certain conditions to the receipt of social assistance is appropriate and reasonable if one of the objectives of a social assistance system is to encourage people to be self-reliant. The existence of conditions may help to motivate some recipients and to encourage activities that would improve prospects for self-reliance. At the very least, a policy of conditional entitlement would serve as a powerful symbol that long-term dependence or reliance upon social assistance is not considered to be in the best interests of the individual recipient or society as a whole and is not to be encouraged.

Arguments Against Conditional Entitlement

Those who oppose the imposition of conditions on receipt of assistance advance a different set of arguments in support of their position.

First, it is argued that access to social assistance is a fundamental right. The criteria for eligibility should be based on financial need alone. As long as a condition of financial need exists, there is a right to social assistance that cannot and should not be limited by other factors. It is also reasoned that even if there are some people who will misuse or abuse a social assistance system with no conditions, it is illogical and unreasonable to apply to all recipients a policy aimed at a small minority. Imposing conditions can further stigmatize recipients by implying that all of them are potential abusers, and guilty until proven innocent. This stigma spreads beyond the individual recipients to include their children as well.

The existence of a general policy of conditional entitlement will lead inevitably, it is further suggested, to the imposition of rigid and impersonal expectations that cannot be adapted to fit each individual's circumstances. This can serve to increase the sense of powerlessness of recipients. With little power to influence a general policy that may not fit their own situations, recipients will become resigned to a belief that they have little control over their lives and little ability to escape the social assistance system. Moreover, there is a clear risk that any application of conditions will be an imperfect exercise: the inability of some recipients to respond to offers of help may be seen by the system as unwillingness to do so, with the result that financial penalties would be imposed for behaviour that is beyond their control.

Opponents of conditional entitlement also argue that if meaningful opportunities to achieve self-reliance were actually provided, the vast majority of recipients would willingly take advantage of them. This would demonstrate to the public not only that conditions are not necessary but that they may, in fact, be detrimental, since meaningless or unreasonable expectations may actually thwart the efforts of recipients to achieve self-reliance.

A New Policy

Clearly, revision of the current policy of conditional entitlement is needed, but it must be placed in a broader context. It must be viewed, in particular, in light of the other reforms to social assistance recommended in this report.

For example, we are proposing several concrete measures designed to increase the financial incentives for social assistance recipients to work. In addition, we describe how the range of social and support services that would help recipients achieve self-reliance should be improved and expanded. Earlier in this chapter we described our proposals for opportunity planning, which would better enable each recipient to identify and take advantage of the most relevant and appropriate opportunities that will help him or her to achieve self-reliance.

The new system will be built upon the assumption that people will choose to maximize their opportunities. Our belief that this is a valid assumption has led us to the conclusion that, for most recipients, a policy of conditional entitlement is unnecessary. However, we have accepted that it is appropriate to attach conditions to the receipt of social assistance for a small number of recipients, so long as such a policy is tied to the opportunity planning process. We are concerned that those few who fail to respond, when able, to the offer of help are generally those most at risk of long-term exclusion and dependence. Simple acceptance of their decision to increase that risk releases not only them but all of us from any obligation, just when the need is greatest and just when our overall objective of transition is least likely to be achieved.

Throughout this report we have stressed that society should treat recipients of assistance as all members of the public are treated. For those who do not have child care responsibilities or disabilities with which to contend, it therefore seems reasonable to impose expectations that are no different than those we place on members of society as a whole.

We have also accepted the proposition that society operates by way of mutual responsibilities and shared obligations between the state and the citizenry. The state has certain responsibilities for its citizens, and all citizens have certain responsibilities for one another, which are fulfilled through the state. In our view the state has a responsibility to ensure that realistic and meaningful opportunities are made available to recipients of assistance to help them increase their capacity for self-reliance and reduce their dependence upon assistance. If the state fulfils its responsibility, it is legitimate and reasonable to insist that some recipients also have responsibilities that they must fulfil. It is not legitimate to require recipients to meet those conditions if the state does not fulfil its part of the bargain, however. The almost symbiotic nature of this relationship may have the added advantage of encouraging the government to ensure that adequate resources are made available to provide real opportunities for self-reliance. Failure to do so will effectively release recipients from any obligations they otherwise may have had.

Finally, we have accepted a limited policy of conditional entitlement because of our belief that appropriate protections can be introduced to ensure that it is fairly applied. Two essential aspects are a grace period before sanctions can be applied, and a guaranteed opportunity to challenge the appropriateness of the help that has been offered; the protective measures are described more fully below.

For all of these reasons, we suggest that it is legitimate, in certain circumstances, to attach conditions to the recipient of assistance. We also believe that a reasonable and realistic approach to conditional entitlement will find favour with the public and may also increase the likelihood of public acceptance of the balance of our report.

In Chapter 4, we propose that the benefit structure be reduced to three categories: one for persons with disabilities, and two for all other persons in need. There would be some further distinctions in the short term only; for example, aged and "near aged" persons would receive higher benefits until the move to fully adequate rates is complete.

The two categories of other persons in need are distinguished by only one factor: the application of conditions. Some persons in need, we believe, should not be obliged to respond to the offer of opportunity planning. For all others, a limited form of conditional entitlement is appropriate.

Recipients Exempt from Conditions

People with disabilities, sole-support parents, temporarily unemployable people, and elderly people should not have to meet conditions in order to receive social assistance benefits.

PEOPLE WITH DISABILITIES

There is no doubt that the vast majority of people with disabilities would willingly respond to opportunities to increase their capacity for independence and self-reliance. In the past, such opportunities have been limited.

Members of the committee considered whether the best way to expand opportunities for self-reliance for people with disabilities might be to impose conditions on their receipt of assistance. We reasoned that if people with disabilities were required to take advantage of certain opportunities in order to collect benefits, there would be greater pressure on the government to actually make those opportunities available.

Ultimately, we rejected this argument. It is cynical to contend that the government will not recognize the benefits that would result from providing disabled people with meaningful opportunities for self-reliance and that it must be forced into doing so; we do not hold that view.

We believe that a system that offers opportunities for people with disabilities must take a positive and constructive approach that assumes that disabled persons will and can take advantage of those opportunities. We also believe strongly that people with disabilities will respond positively and in overwhelming numbers to offers of assistance that will improve their chances to participate in the day-to-day life of the community. In addition, we believe that it is unacceptable to penalize those who, in the face of great obstacles, may be unable – through no fault of their own – to respond to efforts to help them to be more self-reliant.

Sole-Support Parents

The prospect of imposing conditional entitlement for sole-support parents appears to have increased, especially in the U.S., as the number of sole-support parents receiving assistance has increased. American evidence now supports the view that programs aimed at sole-support parents can be highly successful in lowering dependence upon social assistance; these programs are discussed in Chapter 6. The research indicates that programs in which participation is voluntary appear to be as successful as those that are mandatory.[12]

Members of the committee concluded that a policy of conditional entitlement should not be applied to sole-support parents receiving assistance. We came to this conclusion partly because of what we heard during the public consultation process. Again and again we heard from sole-support parents who wanted to be free of social assistance and who would gladly seize any opportunities enabling them to do so. Our perception was confirmed by the recent American findings. It is unnecessary to compel sole-support parents to participate in activities that will increase their prospects for self-reliance.

Our opposition to the imposition of conditions for sole-support parents also resulted from our concern about the ultimate impact on children. If conditions are imposed, some form of sanction must be applied upon failure to meet these conditions; and although the sanction is directed towards the parent, it will inevitably be felt by the children. If the sanction has an element of stigma, that stigma will also be felt by the children. Whatever the behaviour of a parent, it strikes us as unjust and unreasonable to attempt to punish or alter people's behaviour in a way that may harm their children, either directly or indirectly.

Finally, our opposition to conditions for sole-support parents stems from our belief that parents, not the state, should be making parenting decisions. Although many sole-support parents would prefer to work or take training programs rather than receiving assistance, others would prefer to stay at home to raise their young children. Childrearing is such an important function that we believe sole-support parents of young children should be able to stay at home if they so choose. Conditional entitlement would deny them that freedom of choice. Even with adequate benefits, parents will feel the same financial pressure to work outside the home that is felt by those individuals or couples whose incomes, although modest, place them outside social assistance. However, it would be wrong for the social assistance system to add to this already inevitable pressure.

A decision not to establish conditions should not be seen as an indication that sole-support parents need not engage in opportunity planning. On the contrary, opportunity planning should be made available as early as possible. A sole-support parent who does not plan for the future runs a greater risk of long-term dependence.

Special attention must be given to certain groups of sole-support parents who are at particular risk. We are particularly concerned about young, unmarried sole-support parents, almost all of whom are women, who run the highest risk of long-term dependence. We are worried about the so-called "empty nesters", women who have raised their children while dependent upon assistance and who are now alone in middle age with few prospects for independence because of their limited education or work experience. And we are worried about potential "empty nesters", women who choose to stay home to raise children but do not make personal plans for the day when their children are on their own.

The problems confronting sole-support parents and high-risk groups, in particular, must be seen in a much broader context. Recommendations we have advanced elsewhere in this report are intended to help resolve those problems. For example, we support changes that should result in significant improvement in the provision and enforcement of support payments. We also propose adequate benefits, more financial incentives to work, and more access to the range of social services and supports like child care that will improve the chances for self-reliance. Such measures, in and of themselves, should benefit high-risk, sole-support parents and reduce their dependence upon social assistance.

We also believe that it is essential to provide intensive and specialized opportunity planning for pregnant and parenting adolescent mothers. In addition, the offer of planning must be provided regularly and at an early stage for those mothers who choose to stay home to raise their young children.

Although we do not believe conditions should be imposed on sole-support parents, we suggest that this is an issue that should be monitored over time. It will be important to undertake research that compares the progress of parents in other jurisdictions who are subject to conditional entitlement with the progress of parents here who are not. If there are significant differences, the government should reconsider the policy we have advocated. Reconsideration may also be necessary in the long term, once the children's benefit has resulted in significantly improved assistance for children. The effect of conditional entitlement to social assistance for their parents might be very different in that kind of system.

Temporarily Unemployable and Elderly People

Even in a restructured system, some people will require assistance because of their age and ineligibility for other income programs or because they are temporarily unemployable. Recipients who fall into this category should not have conditions attached to their receipt of assistance. This does not mean, however, that opportunity planning should not be made available nor that it would not be beneficial. It should simply not be required as a condition of receiving social assistance.

RECOMMENDATION 78

Entitlement to benefits for recipients who are disabled, sole-support parents, elderly, or temporarily unemployable should not be subject to conditions, but these recipients should have access to and be encouraged to participate in the opportunity planning process.

Recipients Subject to Conditions

For persons in need who are 18 to 64 years old and who do not fit into the categories already described, we believe it is appropriate to attach conditions to the receipt of assistance, for the reasons listed earlier. The situation of 16- and 17-year-olds is unique and will be dealt with separately.

However, the application of conditions must be accompanied by a set of procedures to protect the rights of recipients. Conditions must not be applied, for example, if the assistance of an opportunity planner is not provided to the recipient. Nor should they be applied if the programs or services proposed in the plan are not available, or if the programs that are available are simply inappropriate. In other words, mutual obligations and responsibilities must be fulfilled: recipients may be required to engage in certain activities in order to continue receiving assistance, but the government must ensure that recipients have access to realistic and meaningful activities that will increase their capacity for self-reliance.

A grace period should be allowed before a sanction is applied, to ensure that people have a reasonable amount of time to consider and act on a plan most appropriate for them. We suggest a grace period of two months from the determination of eligibility, at the end of which a recipient would be expected to have at least begun to develop an opportunity plan. Thereafter the recipient would be expected to pursue the plan that has been agreed upon.

The most appropriate sanction for failing to meet these conditions would be a reduction in the amount of the social assistance benefit. The amount of the reduction should be great enough that it is clearly perceived to be a sanction, but not so substantial as to cut off assistance completely. We believe a reduction would be as effective as complete disentitlement, while providing a small measure of protection for the children in two-parent families that depend upon assistance. We accept that in these cases, one of the adults should be required to pursue opportunity planning, and that his or her benefits should be in some jeopardy for failure to do so. At a minimum, the children's portion of benefits should not be reduced.

If sanctions are to be imposed, the recipient must have the right to challenge an opportunity plan that does not appear realistic or appropriate. It should be possible to make such a challenge before the Social Assistance Review Board; the recipient's benefits should be protected in the interim.

RECOMMENDATION 79

Recipients other than those who are disabled, sole-support parents, elderly, or temporarily unemployable should be required to participate in opportunity planning as a condition of receiving full social assistance benefits.

RECOMMENDATION 80

The obligation to participate in opportunity planning should be conditional upon the formal offer of the assistance of an opportunity planner and must be accompanied by measures to protect the rights of recipients.

Young People 16 or 17 Years Old

Earlier in this chapter we discussed the exceptional situation of young people, especially those who are 16 or 17 years old, and the special opportunity planning they require. We also suggest that a somewhat different approach should be taken to placing conditions on their entitlement to benefits.

We believe that the majority of 16- and 17-year-olds who will apply for social assistance will be in need because of a major family crisis. In our opinion, the prospects for family reconciliation will be greater if assistance is available than if it is denied. On the other hand, few 16- and 17-year-olds have the same capacity for reasoned judgement as most adults. We do not want to encourage young people to leave home earlier than they otherwise would if they were not at risk. Nor do we want them to misuse their entitlement to social assistance. Attaching conditions to the receipt of assistance should ensure that only those 16- and 17-year-olds who genuinely need social assistance actually receive it.

Young people who experience a family crisis are more vulnerable to outside influence than other youth. They may fall more easily into involvement in illegal or illicit activities. With limited education and little if any work experience, they also run a higher risk of long-term dependence upon social assistance. To forestall these risks, involvement in the opportunity planning process must be a condition of their continued receipt of social assistance.

In discussing this issue with several experts who work extensively with young people, we were told that the key to working successfully with 16- and 17-year-old applicants will be to link them with opportunity planners as soon as possible after they apply for assistance. Some even said that assistance should be withheld initially until a young applicant meets with an opportunity planner and begins to develop an individual plan.

We cannot recommend denying assistance to 16- and 17-year-olds until they perform some particular activity. This would violate our principle of eligibility, which assumes that everyone has a presumptive right to social assistance based on need. But we were swayed by the argument that planning and counselling must be provided to young applicants as soon as possible.

Intensive efforts must be made as soon as an application is received from a 16- or 17-year-old to link the young person to those able to help him or her and the family, if possible. Earlier in this chapter we described the kinds of organizations that are best suited to provide opportunity planning for this group. The grace period before a sanction may be applied for failure to accept this offer of help should be shorter than for others; a one-month (or shorter) period may be appropriate. The effects of this approach should be monitored carefully and the policy revised if necessary.

We believe that the number of recipients to whom sanctions will be applied will be small. Our other recommendations in this report should significantly improve the opportunities for recipients to become self-reliant, and most will willingly take advantage of these opportunities. In addition, the protections we have suggested as a part of any policy of conditional entitlement should ensure that sanctions are applied only after all other efforts to resolve the problem have been made. In our opinion, the policies we advocate with respect to conditional entitlement are fair to recipients and will help to convince the public that social assistance is being provided only to those in need.

PROFILES

H., 17, Toronto

H. is a young man who has no home. I was kicked out of the house at 15. My stepfather had started drinking pretty heavy and one night I caught him beating up my mother. The day I left he had gotten my temper going. I was afraid I'd go after him – and if I did, he'd go after me, and he'd have hurt me. He and my mom said I could return if I agreed to see a psychiatrist about my temper. I agreed but they still said no way, you're not coming back.

Road to the streets

I went into Children's Aid for a month, and the day I turned 16 I went into a hostel. After one month there I went to live with my dad. He kicked me out in January this year. He had given me a cheque to pay a bill and I cashed it instead. I said I'd pay him back but he said no, he'd write it off as a lesson. That really annoyed me because I'd rather have stayed with him and gotten a job to pay him back instead of being kicked out. He told me to stay out for six months and get some money together before returning home. I never thought I'd wind up on the streets. For the past seven months I've been trying to get back in the house. No way.

I've been looking for work as a heavy-equipment operator. Every place I've applied says I'm inexperienced and too young to be covered by worker's compensation. That's a bunch of bull. I grew up operating my dad's back-hoe. And I can run a bulldozer better than some guys who have been doing it for years. I've had other jobs – construction and kitchen work – but I like operating heavy equipment and that's what I want to do. Probably because that's what my dad does. There are a few heavy-equipment training schools, but you have to be 18 to attend.

I dropped out of school during grade 10. I've been in basic-level studies in each grade ever since I failed grade 3 because I wouldn't do my schoolwork. I think the vice-principal was just as glad to have me gone; we didn't get along. Certain parts of school I liked – my shop courses, English, and I loved art. I still have a silk-screen that I made in grade 9; that was the last project I did in school. But I don't think that only having grade 9 will hurt me, not for what I want to do. If I need a degree someday, I can go to night school.

I came into Toronto because there are more hostels here and it's easier to get emergency welfare. The hostels aren't too great. It's hard to sleep, the food is shitty, and you get a lot of weird people passing through. Someone just ripped off my emergency welfare money. I'd put it between my legs so I'd be sleeping on it, and in the morning the blankets were on the floor and my

[redacted]

money was nowhere to be found.

I've never had regular monthly welfare. I don't have a permanent address so I can't get it. But how are you going to get a place to live without any money? I get emergency welfare cheques every two weeks to a month. Sometimes I'll get $220, but usually just $109. That lasts about six days, and it's supposed to last for two weeks. But after buying food and smokes, a few beers, and sometimes lending people money, it goes.

One time I needed some cash, so I called a buddy of mine and asked him to tell welfare that I was going to be living with him for $250 a month and I needed first and last months' rent. I got two cheques, one for $250 made out to my friend and one to me for $73 for basic needs. My friend cashed the cheque; I gave him $50 and left.

I think kids under 18 should get welfare. If you've left home and you need it, you should be able to get it. We need more money and more places to stay.

"We scratch, scrimp, and con"

Life on the streets isn't all that great. I get hungry. I think I've lost some weight. Last night I got a shot in the teeth for no reason. Can you believe that? This guy said he didn't like the way I was looking at his girlfriend. I just looked at her when she was talking to me. Now I have to get two teeth pulled. Usually I just spend my time bumming around. Hanging out in the park. You have to be out of the hostel from 7:30 to 4:00. The cops hassle you if you sleep in the parks. A lot of girls I know are being approached by pimps.

I've been in trouble with the law, things like automobile theft and failure to appear, but they're all absolute discharges. I've stolen bikes to get around, since I have no money for public transit. I've only robbed a guy once, and I've stolen food a couple of times. Sometimes I deal drugs. I say to hell with it and go and do these things. If I get caught I'd say to the cop, you've got a place to live, you've got money in your pocket, right?

We scratch and scrimp and we con. We do whatever we can to survive regardless of who it hurts. Once you hit the streets you have to get streetwise as fast as possible. Figure out who's who and what's what before you even open your mouth. I'd tell kids, if they ever get threatened with being kicked out, to smarten right up because when it happens it is going to hit you like a ton of bricks. My younger brother has been screwing up lately. I said to him, you've got one brother in jail and you know where I am today.

Right now I've got a positive attitude. I'm working at the Canadian National Exhibition. When that ends I may get a job in a car wash I used to work at; I heard they're hiring again. I need to get a job doing something I like. Working again would mean money in my pocket, living, eating, and having a place to sleep.

HUMAN RESOURCES

Our consultations afforded us an excellent opportunity to hear directly from both the recipients of social assistance and the staff who deliver the programs. We heard from recipients through the letters and submissions we received as well as the oral testimony at the public hearings. That material was complemented by the advice we received from our advisory groups, several of which included recipients. Contributions from income maintenance workers came through written submissions from various staff groups, from the unions representing workers, and from individual workers. In addition, some staff members made presentations at the public hearings. We also benefited tremendously from the opportunity to meet informally with municipal and provincial employees from across the province. These off-the-record sessions enabled workers to provide us with their honest and candid assessments of problems and possible solutions.

The committee was struck by the frequency with which the nature of the relationship between recipients and workers was discussed. We heard blunt, eloquent, and often angry criticism of workers by recipients. We heard equally impassioned testimony from workers about the tremendous demands placed upon them, which severely limit the level and quality of assistance they can offer. Those limitations can engender the kind of criticism of workers we heard from many recipients.

Consultation helped us to realize the pivotal role played by the staff of a social assistance system. The role of front-line workers who have direct contact with applicants or recipients is particularly important. Front-line staff can exert a tremendous influence not only on the quality but also on the very nature of the help provided, regardless of the legislation, regulations, or administrative policies that govern their activities. Michael Lipsky, author of *Street Level Bureaucracy*, has argued that it is not uncommon for workers to actually function in a manner inconsistent with the organization's stated goals or policies:

> Lower level participants in organizations often do not share the perspectives and preferences of their superiors and hence in some respects cannot be thought to be working toward stated agency goals... At times it is more useful to view lower level workers as having distinctly different interests and the resources to pursue those interests. Here discrepancies between policy declarations and actual policy would be expected and predictable.[13]

We also came to the conclusion that the successful implementation of many of the recommendations in this report will depend in large part on the extent to which staff have an opportunity to understand the nature of and rationale for the changes and to help shape their implementation. This involvement seems particularly important in the field of social assistance. As Lipsky points out, the system seems to be in a state of

Voices

Centre 507, Ottawa

As things are organized at the moment, Welfare Workers (and FBA Workers) are hired throughout the province primarily to investigate and assess the clients' eligibility for money. This places them in a position of great power. The client's cheque is always, metaphorically speaking, behind the Worker's back.

The other vital task which the Social Worker has to perform is that of confidant and advisor. Such a role requires that the client be frank and honest. But how can the Social Worker be both an authority figure who decides how much money a person receives, and also a trusted friend with whom that person can be completely open? These two roles will often be in conflict.

Youth Advisory Committee, Justice for Children, Toronto

One woman we know of spent four hours in a welfare office waiting to be seen, was finally informed that the office was closing for the day, and was requested to come back the following day. She acquiesced being too anxious to complain, and went home to pay for the child care she had obtained without resolving her problem.

constant change because of continual tinkering with programs. After a while, no one change seems better than any other.[14]

Because of the crucial importance of staff to the social assistance system, we will highlight the major problems in human resources today. We will identify some of the implications of existing problems and then recommend changes designed to resolve them.

Caseload and Workload

Many of the staff delivering social assistance are seriously overworked and, as a result, unable to perform all of the duties expected of them. This is of particular concern to us. The potential for successful implementation of our recommendations will be seriously jeopardized if there are no changes in the demands placed on existing staff. The problem results from large caseloads and a heavy workload. The term "caseload" refers to the number of recipients who are assigned to each income maintenance worker, and "workload" refers to the number and nature of tasks each worker is expected to perform to fulfil the requirements of the job.

There have been several studies on this issue, beginning with a report commissioned from the management consultants Currie, Coopers and Lybrand in 1982. In spite of the studies, however, the caseload and workload for field workers delivering social assistance programs increased markedly throughout the 1980s.

The Ministry of Community and Social Services estimated that the average caseload for field workers delivering FBA in 1986/87 was 332, a 33% increase over the 1980/81 average caseload of 251. While the total provincial FBA caseload increased from 118,433 in 1980/81 to 157,059 in 1986/87, the number of field workers remained constant at 472. Recent improvements have been introduced, but they have not come close to returning the average caseload to 1980 levels.

Not only did the caseload for provincial income maintenance field workers increase during that time period, so did the workload. MCSS estimated that the overall workload per person increased by 41% between 1980/81 and 1986/87.

The studies dealt exclusively with caseloads and workloads of provincial employees. The current caseloads of municipal workers delivering GWA are significantly lower but they have been kept lower because GWA workers deal with recipients who must be seen more frequently, require different kinds of assistance, and have a higher rate of turnover than FBA recipients. We heard evidence that a workload increase has also been experienced at the municipal level, although it is less steep than the increase for provincial employees. This information is difficult to verify, however, because there is no centralized recording of caseloads within the GWA system.

Part of the explanation for increase in workload may lie in the use of technology. While the advance of modern technology has been touted as a way to reduce paperwork, that has not yet happened – at least not in the social assistance system. Procedures to apply new technology have been added to the existing workload, with little corresponding reduction in manual paperwork. Some attempts have been made to streamline administrative procedures; together with the full implementation of the Comprehensive Income Maintenance System (CIMS), these measures may ultimately reduce paperwork and therefore workload. To date, however, administrative demands on field workers' time and the amount of paperwork have been increasing rather than decreasing.

The amount of paperwork required of field workers is overwhelming. The ministry estimates that the whole process required to complete one new application for assistance takes about four hours. Depending on the circumstances of the individual recipient, up to 8 mandatory forms might have to be completed. There are an additional 79 supplementary or administrative forms. For many applicants, 18 separate forms seem to be the norm.

The workload increase has also been affected by the increasing level of complexity of the system as a whole. In Chapter 4, we describe the incredibly complicated system of benefits that presently exists.

The changing nature of the recipient population further compounds the workload. For example, the recession of the early 1980s resulted in a significant increase in the number of recipients of GWA who were deemed to be employable, and the numbers are still high despite improved economic conditions. Most recipients in that situation want to work, and they want and expect help from their caseworkers to make the move into the labour force. The demands placed on workers by these recipients, who are expected to leave social assistance quickly, are often greater than the demands of long-term recipients, at least in the present system. The demands become even greater once one acknowledges that those now deemed "longer-term" have the same aspirations and wish to be helped.

Finally, workload is increased by the fact that Ontario has a two-tier system of social assistance, with responsibility split between the province and municipalities. In many cases, eligibility for GWA, the municipal program, must be determined before eligibility for FBA, the provincial program, can be established. This results in overlap and duplication. We have a great deal of sympathy for the position many workers find themselves in. It is frustrating for workers to be overburdened and yet to be told constantly, when they ask applicants for information, that the information has already been provided, often more than once.

Insufficient or Inadequate Skills

Another source of difficulty in the relationship between front-line workers and recipients is the skills required of workers and the training provided to them. We have serious reservations that any level or amount of skills training can compensate for the problems caused by the inherent complexity of the current benefit system, which we address in Chapter 4. Even with a much simpler system, however, problems would remain.

In some cases, employees are recruited on the basis of skills they do not have the time or opportunity to use. For example, field workers recruited from the social work profession are placed in situations where their social work skills are rarely used. On the other hand, we saw little evidence of efforts by universities and colleges in Ontario to develop educational programs that focus upon the knowledge, skills, and attitudes needed by those who work in the social assistance field. Lipsky has suggested that schools of social work do not do a very good job of teaching potential field workers how to recognize or deal with those recipients who are illiterate or how best to handle a large caseload.[15] It appears that greater attention is given in other jurisdictions to the need to develop programs that prepare students for employment in this field.[16]

In addition, the precise nature of jobs within the social assistance system has not been well defined, and there has been little analysis of the specific skills required. This issue appears to have been a source of conflict among senior management and between management and the union. As a result, people have assumed positions in field work without having the necessary and relevant skills and training. For example, as part of MCSS's decentralization of its operations in the mid-1980s, budget calculation clerks from head office were transferred to regional offices to perform the functions of field workers. They had little if any previous experience of dealing directly with recipients.

The problem is exacerbated by the jurisdictional division of responsibility between the province and the municipalities, which results in a great disparity across the province in the formal educational qualifications required of field workers. Some jurisdictions will require a bachelor's degree in social work or a diploma from a community college. Others require only a high school diploma. In some cases, people delivering social assistance will have been hired on the basis of their ability to perform quite different functions. In regions of the province where municipal clerks have responsibility for social assistance, for example, it is likely that they will have been hired more for their administrative and clerical abilities than for their expertise in social assistance or related programs.

With the system's problems in the areas of recruitment, skills training, and education, some of which we have described here, one would assume that the ministry would have increased its emphasis upon training. Ironically, until very recently the opposite appears to have been the case.

Until 1980/81, most provincial field workers received three weeks of centralized training during their first year on the job. The training focused on policy, procedures, and case management. For most of the period from 1980 to 1987, however, there was no centralized training program, and training at the regional or area level has not been sufficient to make up for this loss. In many cases, it has consisted of accompanying another field worker on the job. Little formalized instruction on policies and procedures has been offered. There have been some recent improvements, however, which will be discussed below.

Role Confusion

As discussed earlier, there is a great deal of confusion about the exact nature of the field worker's role. We believe this role confusion has contributed substantially to the strained relationship between workers and recipients.

There has long been a debate about whether field workers are primarily counsellors, whose task is to advise and assist recipients, or whether instead they are financial monitors, who ensure that only those entitled to assistance actually get it and that they receive only that to which they are entitled. In most cases, both functions are required and combined in one field worker. Many have suggested, and we agree, that the different functions performed by field workers not only are contradictory but work at cross purposes.

While role conflict and confusion is clearly a problem, we believe that the enforcement role of the field worker currently takes precedence over the counselling role. This has probably developed because of the recent increases in caseload and workload. Workers have little time left to counsel recipients after they have processed all the paperwork required to determine eligibility. The emphasis on enforcement contributes to increased hostility between worker and recipient. Recipients are likely to be more antagonistic to the workers and to the system as a whole if they only hear from workers when their finances are being questioned or monitored.

Low Morale

One of the most disturbing findings to come out of the public hearings was the extent to which the staff of the present social assistance system are dispirited and disillusioned. Given some of the factors we have described above, it is perhaps not surprising that staff morale is so low.

The workers we talked to were aware of and pained by the criticism of them that we were hearing from recipients. They agreed with many of the complaints about the quality of help they provide but expressed a sense of powerlessness and frustration that the system itself prevents them from making improvements. They were exasperated at how much time they were required to spend on paperwork and how little time they had left to spend with each of the people in their caseloads, as these continued to increase. Many also acknowledged that there are some staff members whose treatment of recipients reflects badly on all workers. At the end of the consultation process, we had come to the conclusion that it was not fair to lay the blame for the inadequacies of the current system at the feet of the staff. In many ways, the staff are as much victims of the system as are recipients. We also concluded that very few people recognize or understand the difficult situation in which field workers have been placed.

Field workers operate in an extremely stressful environment. In addition to continuing workload pressures, workers must often deal with people who are undergoing crisis and trauma. Not only is the job emotionally draining, but verbal and even physical abuse of workers is not uncommon. Staff morale is further weakened by the perception that they have a low status within the institutions that employ them. This feeling is fuelled by the low priority given to the job by some municipalities.

This low status is also perceived by people who work within the provincial system.

Rightly or wrongly, it is a widely held view that it is extremely difficult to move up the hierarchy in the ministry if one starts in income maintenance. If it is generally believed that career mobility is jeopardized or thwarted by working in income maintenance, it is understandable that the field worker's position will be seen as one of relatively low status.

Field workers in the social assistance system also tend to be victims of society's tendency to "shoot the messenger". Because field workers are the point of contact between the social assistance system and recipients as well between the system and the public, they are inevitably criticized and blamed for the shortcomings and flaws of the system as a whole. In many instances, of course, staff are criticized for shortcomings over which they have no control or only limited control.

On the one hand, staff may be required to enforce rules and regulations with which they do not agree, but which they can neither change nor ignore. On the other hand, they are often required to exercise personal judgement in a number of discretionary areas. In the absence of clear criteria and with little training in discretionary decision-making, it becomes inevitable that they treat persons in similar situations differently. They are accused of being unfair or incompetent when one recipient is denied a benefit that another in a similar situation has been granted by his or her worker. The limited contact between recipients and staff means that little if any time is available for workers to explain decisions; explanations can often defuse criticism. Instead, the contact that does occur in such situations is often negative and hostile.

Declining Quality of Service

All these problems have seriously harmed the social assistance system. Both quality and efficiency have been compromised.

Everything we heard and read leads us to believe that staff burnout has reached a critical stage. Evidence of the extent of burnout is to be found in the rate of staff turnover. In 1986, the Ministry of Community and Social Services estimated that in seven of the previous nine years, the rate of staff turnover in the income maintenance area was significantly higher than the ministry average.

Another result of these problems appears to be the deterioration of relations between the unions representing workers and management representing the government. There is evidence that this perceived deterioration is also a reality, in that the first half of the 1980s witnessed a significant increase in formal grievances filed by unionized income maintenance staff. It was suggested to us during the public hearings that the antagonism behind these grievances was fuelled by the studies that identified caseload and workload problems and the perceived failure of the government to respond.

Of particular concern to us is the fact that these problems have resulted in a significant decline in the level and quality of service, which has led to a steady increase in complaints from recipients about staff who are unhelpful, unco-operative, or abusive. This perception, in turn, further demoralizes field workers, especially those who are attempting to do the best job they can.

The negative perception of income maintenance by some members of the public may be further exacerbated by another consequence of the problems we have outlined. There has been a marked increase in outstanding FBA overpayments. The ministry estimated that in 1987/88 the cumulative amount of outstanding overpayments would come to approximately $112 million, or the equivalent of 11% of total FBA expenditures. It should be stressed that this figure is the combined amount of outstanding payments over a long period of time. It does, however, represent a significant increase over the outstanding cumulative amounts from previous years. In 1980/81, for example, total overpayments outstanding were $36,494,800, or 7.95% of the total expenditure. There was also an increase in the number of outstanding FBA overpayments, which may be partly attributed to the 41% increase in staff workload; it may also be a result, at least in part, of a lack of training, which produces an increased error rate.

The increase in outstanding FBA overpayments, the rising number of union grievances, high staff turnover, and the reduction in the quality of service to recipients are symptoms of a situation that is fast approaching a crisis. Most of the evidence we were able to uncover related to the provincial system of delivering social assistance, but we believe many of the same problems are evident in the municipal system.

It is obvious to us that the nature of the social assistance program as it is actually delivered at the front line is markedly different from the description of the program that one would derive by reading only the enabling legislation, regulations, and administrative policies. Nor do we believe that the shape of social assistance as it is currently delivered bears much resemblance to the programs as they were designed by the original architects. Significant changes are required in the deployment of human resources in order to rectify the problems that exist.

Human Resources in a Restructured System

Throughout this report we have made a variety of recommendations about all aspects of social assistance as well as a number of related programs. They are intended to improve the quality and effectiveness of social assistance. Even if most of these proposals are never implemented, however, the recommendations we are about to propose in this section should still be acted upon. We believe the current problems in the human resources area to be particularly acute and in need of immediate resolution.

Many of the recommendations elsewhere in the report complement and strengthen the specific recommendations below. Implementing our other recommendations will improve the ability of staff to deliver the program efficiently and humanely, and they should help to improve the relationship between workers and recipients. As a result, the quality of the social assistance system as a whole will improve. For example, the ability of staff to do an effective job should be helped immeasurably by the changes we propose in Chapter 4. The system should be simplified by having relatively few categories and by making mandatory the provision of many benefits that are currently granted at the discretion of staff. By limiting the number of areas left to discretionary decision-making, many of the existing irritants in the system should be eliminated or at least minimized.

Earlier in this chapter, we suggested ways in which there could be a clarification of the exact roles to be performed by staff members. We believe the development of two complementary but distinct positions – income support worker and opportunity planner – will reduce the confusion about roles that has contributed greatly to the shortcomings of the present delivery system.

In Chapter 7, we suggest ways in which workers can make the best possible use of the time they spend with recipients. For example, we believe it is feasible to eliminate the automatic requirement for an initial home visit so that workers can spend that time better, with recipients or applicants who need it. We also recommend better use of technology, which should support and improve the efficiency of workers. It is absolutely essential, however, that technological innovations replace administrative paperwork rather than create added work to be done. In Chapter 8, we advance recommendations that will greatly alter present administrative arrangements. Better integration of the social assistance system will resolve the problems of overlap and duplication that characterize the existing two-tier delivery system.

These recommendations should help those who work in a restructured system to deliver an improved service. These changes in and of themselves, however, will not result in the new approach to the delivery of social assistance that we describe early in this chapter. Other changes, more specific to the use of human resources, are essential.

The specific recommendations we are proposing were guided by a number of objectives:

- to demonstrate a commitment to resolving the existing critical situation by introducing concrete, short-term changes;
- to achieve a uniform approach to human resources at the provincial and municipal levels;
- to clearly establish a focal point within the government with responsibility and accountability for the resolution of human resources problems;
- to design and implement a strategic plan for the human resources changes that will

be required by our other recommendations; and
- to involve those affected by the changes in human resources in the design and implementation of those changes.

Immediate Reforms

The formulation of specific recommendations about the use of human resources posed a real challenge for us. On the one hand, we became aware of the gravity of the present situation and the imperative of immediate improvements. On the other hand, we are proposing major changes in the nature of the social assistance system that will significantly alter the precise roles of the staff members who will deliver the new service in the longer term.

Given the breadth and complexity of the issues addressed by this report, we also recognize that it will take time for the nature of the changes we propose to be fully understood. There will be a period of uncertainty as staff members try to understand how the changes are likely to affect each of them personally. In addition, much more intensive work and analysis will be required in order to identify specific job descriptions and qualifications for the new positions.

In spite of the potential for uncertainty, we believe the government must take immediate action. We have developed recommendations that address real problems confronting staff who are trying to make the delivery system work today. The short-term aspects of these recommendations are consistent with and supportive of the long-term changes we envisage for the social assistance system. In fact, some elements of these short-term recommendations will only come to fruition over the long term. We hope that by advancing recommendations intended to resolve immediate problems, we will also help to secure the support of staff for the long-term changes to social assistance that will also result from adoption of our recommendations.

We acknowledge that the government has recently launched several initiatives that represent a recognition of and an attempt to address some of the existing problems. In 1987/88, for example, the Ministry of Community and Social Services received funding to hire an additional 100 income maintenance workers. That figure included supervisory and clerical staff, however, so it actually resulted in an increase of only 64 front-line income maintenance workers. Those additional front-line workers reduced the average caseload from 332 to 310 cases per worker. The additional staff complement also included five trainers, allowing each region to have an income maintenance trainer. The regional trainers are involved in the development of a provincial training curriculum as well as in training income maintenance staff. The Ontario Municipal Social Services Association has been granted funds to hire a full-time municipal training co-ordinator. Some effort is also being made to streamline administrative procedures.

For example, the ministry is developing standards for use by provincial and municipal offices interested in a joint intake system.

Our proposals have taken these initiatives into consideration. They build on these initiatives but will require a substantially expanded effort. The particular problems we believe require immediate attention are outlined below.

Caseload Size

Excessive caseloads are one of the most pressing problems. The recent studies of this subject have resulted in some effort but no success in resolving the problems confirmed by the studies.

RECOMMENDATION 81

The government should establish and maintain interim standards that govern caseload size for front-line workers in both the FBA and GWA programs.

We are not in a position to suggest what we believe the precise ratio of cases per worker should be. Previous study groups, which had at their disposal greater expertise and time than we had, have not been very successful at advancing ratios that received general support. In fact, we have come to the conclusion that the establishment of a precise caseload ratio for the whole province is neither feasible nor desirable. It is clear that a reasonable caseload for a worker in the North will be different from that of a worker in an urban centre, given the differing geographic distribution of recipients.

We believe it is possible to develop standards for caseload size. But since it is unlikely that any set of standards will be universally accepted, the province must be prepared to take a firm position and stick to it. In addition, the province, following consultation with municipalities and unions, must establish interim caseload standards for municipal delivery, with the revised cost-sharing arrangements proposed in Chapter 8. We believe the advantages of establishing standards for caseload size will outweigh any potential criticism.

The development of standards must take into account the composition and specific needs of the recipient population in a particular area. It must also consider geographic factors such as the distance a worker must travel in order to keep in touch with the people in his or her caseload. And it must assess the other resources and supports available to recipients; in some locations, recipients have other agencies to turn to, but in others, the field worker is the primary and perhaps only resource person readily accessible. Finally, caseload standards will be heavily influenced by workload.

Once standards are developed, a review of all municipal and provincial offices will be needed to assess the existing staff complement against the standards. Resources will then need to be allocated or reallocated to enable local offices to meet the standards considered appropriate. One helpful measure that can be put in place relatively quickly is the provision of relief workers to fill in for permanent workers who are absent because of vacation, illness, training, or staffing vacancies.

RECOMMENDATION 82

There should be an immediate increase in staffing to provide back-up or substitute workers when and where they are needed.

There is a pressing need for some standards to govern caseload size, but the first standards developed should be considered only an interim measure. As the other recommendations in this report begin to be implemented, the composition of the recipient population will change, as will the nature of the work required of field workers. The introduction of opportunity planning will greatly alter roles. These and other factors will inevitably require a revision in caseload standards over time.

WORKLOAD

The establishment of caseload standards must be guided to a large extent by the determination of a reasonable and appropriate workload. Benefits likely to result from a reduction in caseload might easily be offset by an increase in the workload for each field worker. Prescribing the appropriate workload will be a complex exercise but one that is essential if we are to begin to resolve the human resources problems described earlier. It must be done as restructuring of the social assistance system as a whole begins.

RECOMMENDATION 83

The provincial government must establish workload standards and implement a mechanism to monitor both workload and caseload on an ongoing basis.

The views of people presently working in the system must be sought during the development of workload standards. In the long term, workload standards should become the primary determinant of caseload size. Developing these standards will entail a more detailed and comprehensive analysis of a number of the same factors that must be assessed in order to develop interim caseload standards. Workload variations resulting from regional differences must be factored into the analysis, for example, as well as the continuing impact of technological change. These factors are in addition, of course, to the basic analysis, involving identification of all the various admin-

Voices

MCSS staff, North Bay

[We need] a much more comprehensive training program for line staff, income maintenance field workers. Qualifications for front line workers should be reviewed and assessed and updated. Training programs should be co-ordinated to ensure consistent delivery of service throughout the province. Managers should also be involved in practical training plans on an ongoing basis to allow them to keep in touch with changing policies and planning for improvements in delivery of Social Services.

Recipient

When I asked one of the young workers what training was necessary to become a welfare worker, she told me the following: "I worked at McDonalds until two weeks ago – I had a one day course in how to complete the forms and was then given the names and files of my clients". To have your life in the hands of someone with these credentials is frightening to say the least.

MCSS staff, Sudbury

Since [1979], any new members being brought on board are given the FBA manual which contains the FBA act and Regulations and the FBA Policy Guidelines. They are sent into an office at the back of the office and are left for a week to read this entire publication. After that, they are then sent into the field with this minimal training and expected to function. The odd lucky individual is sent out with one or two fieldworkers for a day or two – but that hardly gives a new worker any real exposure to the various situations into which we walk when out in the field.

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istrative tasks performed at all positions in the social assistance system.

TRAINING PROGRAMS

There are major deficiencies in the amount and content of training programs that have been offered to income maintenance workers in recent years. In our opinion, a comprehensive and high-quality program of training could greatly alleviate many existing human resources problems.

RECOMMENDATION 84

A joint municipal-provincial committee on training should be established immediately to develop a comprehensive training program for supervisors, field workers, and clerical staff.

As a first step, this committee should undertake an assessment of existing training needs and propose ways to improve training at both the provincial and the municipal levels. The curriculum will need to be revised and evaluation techniques developed to measure its effectiveness. An important item that is badly needed on the curriculum is interviewing and counselling techniques appropriate for people from various cultures.

The training program for those who currently deliver FBA throughout the province should be delivered regionally but centrally co-ordinated. For municipal employees delivering GWA, the Ontario Municipal Social Services Association should continue to deliver, with appropriate funding, its recently initiated training program, which is readily accessible to municipal employees throughout the province.

It is essential that the joint training committee begin immediately to consider the training needs of those who will work within the restructured social assistance system. This will require early collaboration with Ontario's colleges and universities to develop educational programs that better prepare students for work in this field. We believe the investment of resources to support improved curriculum design and programming at this level would reap substantial benefits. Extensive in-service retraining will be required as well. To make work in this field attractive, the committee should propose methods of fostering ongoing career development – for example, through support for educational upgrading or secondment programs. In addition, the training committee must give serious consideration to the use of technology. We were impressed by the advances that appear to have been made in the United Kingdom, which has 300 full-time training instructors. Their training programs make extensive use of video, and they have used technology to develop self-instruction programs.[17]

STAFF INVOLVEMENT

We believe that one of the best resources for the restructuring of the social assistance system is not being tapped. That resource is the front-line worker who currently delivers the program, and who will also be delivering social assistance in a revamped system.

RECOMMENDATION 85

A major effort should be made to involve current staff members in the design and implementation of both the short-term and the long-term changes required in human resources.

The involvement of staff in a meaningful and constructive way makes sense for at least two reasons. First, those involved in the actual delivery of social assistance are likely to have the most acute understanding of the problems, and they are likely to have constructive ideas about resolving them. They may also have a good intuitive sense about which solutions being considered may not be practical or effective. Involving staff in the design of changes should help to ensure not only that the changes being considered will address real problems but that they will work.

Second, the participation of staff members in change will provide them with some feeling of ownership of that change. We believe that the potential for success of many of our recommendations will be increased significantly if staff have a commitment to support reforms that comes from having contributed to their development.

Feedback from Recipients

We believe it also makes good sense to develop and institutionalize a mechanism that provides feedback from recipients as part of the evaluation of the social assistance system. Such a mechanism may serve as an "early warning" system. If a problem can be identified at an early stage, strategies to minimize or prevent recurrence of the problem can be applied more quickly. It may also result in strengthened ties and improved relations between staff and recipients, and it should improve the quality of service and the environment in which social assistance is delivered, to the benefit of both workers and recipients.[18]

In Chapter 11, we recommend that the government establish a provincial council of consumers of social assistance to advise it on general policy and legislative direction in social assistance. The concept of a mechanism to facilitate feedback from recipients can just as easily be applied at a community level. The vehicle used to secure ongoing feedback may vary, depending on the community. Providing a way for staff working at local offices to receive ongoing, constructive input from the users of social assistance should ultimately benefit everybody.

RECOMMENDATION 86

Mechanisms should be developed at the community level to encourage feedback from recipients about the help they receive from the social assistance system.

A variety of approaches can be employed to garner the views of recipients. In September 1986, for example, the City of Windsor Social Services Department undertook a survey of 3,500 GWA recipients. A total of 627 recipients responded, and 150 of them agreed to personal interviews. Information from the survey and the interviews was used to implement a number of operational changes. The Thunder Bay Social Services Department established a client advisory group as part of a pilot project to integrate GWA and FBA. Consisting of sole-support parents, the group continues to advise the municipal social services staff on specific needs and issues that arise from current programs.

Jurisdictions other than Ontario have also had experience in establishing a mechanism for input from recipients. For example, Montreal's Central Council for Consumers of Social Services was established in 1973 to provide the Ville Marie Social Service Centre with feedback from the consumers of their services. Ville Marie has responsibility for providing a broad range of social services to people in some parts of Metropolitan Montreal.

The Central Council for Consumers advises the board and management of Ville Marie on gaps in service or complaints about services. Since a number of the people using Ville Marie's services also receive social assistance, the council includes social assistance recipients. Although the council has a broader mandate than we are suggesting, it is one example of a way to allow users of social programs to provide feedback to those who design and deliver them.

Long-Term Strategy

A wide range of human resources issues must be addressed immediately, but we believe it is also imperative to develop a comprehensive long-term strategy for human resources development.

RECOMMENDATION 87

A joint municipal-provincial human resources steering committee should be established.

This committee should be established immediately to lay the groundwork for a restructured and unified social assistance system. We would see such a body as having the primary responsibility for advising on all human resources issues within the social assistance system. It would be more effective organizationally if the training committee we recommended above functioned as a subcommittee of the human resources steering committee. That would minimize any potential for confusion, duplication, or overlap. Whatever the structure, we believe it is essential that there be active participation from front-line staff.

The steering committee would have two primary tasks. First, it would oversee the changes resulting from the immediate short-term recommendations we described above. While these changes must be set in motion immediately, some – like the development of job descriptions or the establishment of workload standards – will take longer to finalize. Second, it would undertake the work relating to human resources that is required to ensure a smooth transition from the current system to a restructured social assistance system.

Among other things, smoothing the transition will entail the development of workload and caseload standards for the two primary positions: income support worker and opportunity planner. It will include the establishment of clear job specifications and job descriptions, the identification of qualifications and skills required for certain positions, and the development of formal selection standards, including interviewing and testing techniques. Developing these guidelines will necessitate a close working relationship with the educational institutions that will be training people to work in the social assistance field. The committee must also ensure that the job descriptions reflect the new and specific competencies required of staff in the restructured system.

The human resources steering committee would also have responsibility for the development of ongoing staff performance appraisals. It would monitor the impact of technology on the office environment as well as recommend ways to adapt technology to improve the management of human resources. Technology might be helpful, for example, in better analysing staff turnover or increases in caseload and workload or in anticipating staffing needs.

In Chapter 8, we suggest that in certain circumstances, the province should empower a local government to deliver social assistance if it meets predetermined standards. The development of some of those standards, which will include criteria for workloads, caseloads, and job qualifications, should also involve the human resources steering committee.

We have outlined what we believe should be the primary activities and responsibilities of the proposed human resources steering committee. This list is not exhaustive; there are undoubtedly other activities that could fall within the purview of such a body. Of greater concern to us, however, is that there be such a committee. There is an urgent need for an institutional structure with the responsibility and authority to address problems in the human resources area. Had such a committee existed in the first half of this decade, the human resources problems we described earlier might not have reached the crisis stage.

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MOVING TOWARDS SELF-RELIANCE

Social assistance recipients who addressed our committee during public hearings told many painful and tragic stories about the problems that often confront them. But the hearings also gave us reason to be optimistic. We were continually impressed and inspired by the longing expressed by recipients to be free of social assistance and to become more independent and self-reliant. Unfortunately, there are a variety of impediments entrenched in the system that thwart their efforts.

In Chapter 4 and Chapter 5, we have proposed a variety of changes that we believe will help recipients to become more self-reliant. Increasing the level of social assistance benefits is one example. The establishment of the opportunity planning process is another measure that, in and of itself, should lower dependence on social assistance. Even if these changes were implemented tomorrow, however, there would still be barriers stopping some recipients from moving towards self-reliance. This chapter will describe the nature of these barriers, and in it we propose a variety of recommendations intended to minimize or eliminate them.

I believe that one of the basic issues is "Thanks for the help but how can I get off this thing?"

Recipient

For most social assistance recipients, achieving self-reliance will mean participating in paid employment. Unfortunately, many rules and regulations governing the social assistance system reflect a bygone era when there was little expectation that recipients would enter the labour force. These regulations serve today to discourage recipients from securing paid employment.

Disincentives that are built into the social assistance system are not the only impediments to moving into the labour force. In many parts of the province, there are simply not enough jobs for all who need and want them. Even where jobs are relatively plentiful, minimum-wage and low-paying jobs often do not provide enough income to meet basic needs, especially for families. The lack of child care is an especially important barrier for sole-support parents. The lack of co-ordination of education and skills training and upgrading programs is another barrier to the labour force.

Participation in the labour force is not a realistic expectation for all social assistance recipients. Some may be able to engage in other kinds of activities that are as appropriate and productive as paid employment. We believe, for example, that a sole-support parent who stays home to raise young children is engaged in a vitally important activity that can be as demanding as a paid job. A recipient who volunteers at a crisis centre or who is active with a self-help group is also providing a useful and constructive service to the community. For others, like people with severe disabilities, achieving self-reliance may mean going on a shopping trip, attending a community meeting, or going to vote on election day.

Self-reliance is perhaps best thought of as a continuum, with paid employment at one end. Individual recipients will be at very different stages on that continuum, and we must ensure that each person is encouraged to exercise personal skills and abilities and participate in the community to the extent he or she is able. For those at the other end of the continuum who achieve self-reliance that does not entail paid employment, we must ensure that benefits are adequate to enable them to live in comfort and dignity.

If social assistance is to accomplish what we have already argued should be its fundamental objective – "to ensure that individuals are able to make the transition from dependence to autonomy, and from exclusion on the margins of society to integration within the mainstream of community life" – then two things must happen.

First, all the existing rules, regulations, policies, and practices of the social assistance system that serve to penalize recipients who enter or prepare to enter the labour force must be eliminated. Second, supports and opportunities to enable recipients to achieve their optimal level of self-reliance must be provided by the social assistance system and other ministries and organizations. Failure to both reduce disincentives and provide incentives to move towards self-reliance will violate the principles of personal development and personal responsibility. We cannot expect individuals to take responsibility for their own actions if we do not provide the opportunities and the means to enable them to exercise that responsibility.

The balance of this chapter will advance and explain a number of recommendations that we believe will increase the capacity of all recipients to achieve self-reliance. We believe these changes should be implemented in the short and medium term. They constitute the foundation for our vision of the future, which we describe in Chapter 3.

Barriers to Self-Reliance

For many recipients, moving into the labour force will be the appropriate way of achieving self-reliance. But barriers exist both within the social assistance system and beyond the jurisdiction of social assistance. Examples of each are described below.

Barriers Within Social Assistance

One of the most frequently heard complaints during the public hearings concerned the restrictions on the number of hours recipients can work without losing benefits. Sole-support parents receiving FBA are prohibited from working more than an average of 120 hours a month for four consecutive months. This restriction, known as the "120-hour rule", applies regardless of the amount of earnings. Violating it results in a loss of all benefits from social assistance. The rule effectively discourages sole-support parents from seeking part-time jobs that might lead to full-time employment. This regulation applies only to sole-support parents, however. It does not affect disabled persons or their spouses.

GWA also imposes work limitations. Single persons are ineligible when they work full-time, regardless of their earnings. Family heads with spouses may face the same barrier, unless the municipality allows the non-working spouse to be designated the "family head".

Both restrictions practically and symbolically provide a message to recipients that they will be discouraged and even penalized if they work too much. This is contrary to the message that the system should send if it is serious about encouraging recipients to seek employment in order to decrease their reliance on social assistance. And not only does the system limit the number of hours recipients can work; it further discourages work by severely reducing benefits as income from earnings increases.

As recipients of FBA or GWA begin paid employment, they are allowed to exempt some income before the amount of social assistance they receive is affected. But earnings above that amount are effectively taken away from working recipients, in part or in whole, through reductions in social assistance benefits.

The actual rate of benefit reduction is governed by guidelines established by the Canada Assistance Plan (CAP). As restrictive as those guidelines are, however, Ontario is not making maximum use of them; exemption levels could be higher in this province without any loss of cost-sharing. As a result, earnings above certain levels, depending on the recipient, are subject to a 100% recovery rate. For example, the earnings of a single parent receiving FBA are subject to a benefit-reduction rate of 100% above a ceiling of $240 a month. Single disabled persons receiving FBA have their earnings recovered at 100% above a ceiling of $225. GWA recipients are in even greater difficulty. Some single GWA recipients find that the first dollar they earn is recovered at between 75% and 100%.

In other words, for every dollar earned from employment above a certain ceiling, social assistance is reduced by as much as a dollar. Ontario, alone among the provinces, applies this reduction on the basis of gross, not net, earnings. Since earnings from any job are subject to mandatory deductions for costs like UI premiums or union dues, the

Voices

Recipient
I feel I should be allowed to earn more money while on FBA without suffering deductions. I want to work, I feel better when I work, I want to be able to do something for myself and I want to improve life for my family.

Persons United for Self Help
Most disabled people are incensed at being labelled "permanently unemployable" when applying for a disability pension.

Family Service Bureau of South Waterloo
The significant proportion of mothers involved in part-time employment, volunteer work and education is a reflection of their drive and determination – despite, not because of the welfare system's incentives.

net take-home pay will be less than the gross earnings figure used to reduce the benefit. It is hardly fair to reduce benefits on the basis of "income" that workers never actually receive.

These provisions are completely illogical. The sole-support parent who earns more than $240 a month and the single disabled person who earns more than $225 are forced to make economically irrational choices. Rather than encouraging and rewarding social assistance recipients who work to become more self-reliant, the system imposes a financial penalty on those who try. It is increasingly obvious that such measures provide an incentive to stay on assistance and a disincentive to move into the labour force. In a recent study on income security prepared for the C.D. Howe Institute, Thomas Courchene was highly critical of what he termed "confiscatory tax rates" and "perverse incentives". He concluded: "It is clear…that even in the face of a strong work ethic, the incentives to remain on welfare are also very strong."[1]

To compound the problem, other social programs often have regulations that impose reductions in their own benefits when recipients work. When the various regulations governing different programs are "stacked" on top of one another, their combined effects can result in reductions that actually exceed 100% of recipients' earnings. For example, a person living in Ontario Housing Corporation (OHC) housing who takes a full-time job is subject, in effect, to an additional rent of 25% of gross earnings after an initial grace period. If that tenant was a social assistance recipient, the extra housing cost combined with the loss of benefits could exceed the additional income received from employment.

Very few data are available on the actual financial gains or losses experienced by recipients who leave assistance to take a job. A landmark study was undertaken by the Quebec government, however, as part of a White Paper on the tax and transfer systems.[2] Courchene, who has studied the Quebec report, believes the results would be replicated elsewhere: "The net impact of the move from welfare to work in Quebec could easily entail a 100 percent – that is, a fully confiscatory – tax rate. In several other provinces, the tax rate almost surely is well above 100 percent."[3]

A further loss to people who leave social assistance in favour of work is their in-kind benefits. The estimates of recovery rates facing recipients who take a job would be higher if they included additional in-kind benefits provided at no cost to recipients. Included are items like dental care, prescriptions, health care premiums, and eyeglasses. The prospect of losing such benefits can serve as a real disincentive to leave assistance.

Many recipients who are able to work may only be able to secure jobs that pay relatively low wages. Such jobs may offer little in the way of fringe benefits. For families with children needing prescription drugs or dental services, for example, the loss of subsidies for these services can and does play an important role in a decision to take a job, especially when equivalent benefits are not provided.

Finally, the existence of many different categories of recipients has itself served as a barrier to employment. The very term "unemployed employables" suggests that other categories of recipients are somehow less "employable".

Categorization and labelling have had particularly unfortunate consequences for disabled people. The current FBA disability determination process, which uses strict medical definitions, tends to equate "disability" with "unemployability". As a result, some disabled people who are able and willing to work are categorized as "permanently unemployable" even though their capacity to work with appropriate supports may never have been thoroughly assessed.

Systemic Barriers

The barriers specific to social assistance can be lifted by changing various policy regulations administered by the Ministry of Community and Social Services. There exist other barriers, however, that the ministry alone cannot dislodge.

Conditions in the labour market are especially relevant. Any initiative to facilitate the transition from social assistance to employment presumes the existence of employment opportunities for recipients. As outlined in Chapter 2, the number of people dependent on social assistance increases when the rate of unemployment increases.

It is obvious that a lack of jobs will always be the greatest barrier to self-reliance for recipients. But the creation of employment opportunities, in all parts of the province, is a matter of broad economic policies outside the jurisdiction of the Ministry of Community and Social Services. We will return to this issue later in this chapter.

In recent years, in fact, Ontario has benefited from strong economic growth, although the benefits have not been distributed equally across the province. In a city like Toronto, lack of jobs is not at the moment the greatest barrier; "Help Wanted" signs are common in many stores and restaurants. The greatest impediment in this situation is low wages.

The economic boom that has significantly lowered the rate of unemployment in some parts of the province has a darker side: it has increased the cost of living. This is evident in a number of urban centres where the cost of housing has jumped astronomically. Unfortunately, wages have not kept pace with cost-of-living increases. For example, the purchasing power of the minimum wage has dropped by 20% since 1975. If the minimum wage, in particular, does not keep pace with the cost of living and with increases in the level of social assistance payments, then any effort to provide recipients with incentives to work will be undermined. Recipients are less likely to take minimum-wage jobs if social assistance comes closer to meeting their financial needs.

Even when adequately compensated jobs are available, recipients have not always been able to take advantage of them because of the lack of various supports. Disabled recipients might need assistive devices, structural renovations to a work site, or attendant care. For sole-support parents, in particular, the lack of child care is perhaps the greatest employment barrier. Access to child care is essential if sole-support parents who choose to seek employment are to be successful in finding and keeping jobs.

Another kind of employment support comprises education, skills training, and upgrading courses. The unavailability or poor quality of some of these programs and the inadequacy of job placement services have stifled the ability of some recipients to become employed.

The goal of self-reliance is also furthered when everyone receiving assistance has access to a full range of social services and supports. Such programs are needed by those for whom employment is not feasible as well as by those able to enter the labour force. Examples of such services include emergency shelters and counselling for the victims of family violence, and programs to help former wards of the child welfare system make a successful transition to independent living. Specialized services will be required to meet the specific needs of people in rural communities.

Employment and Social Assistance

Expectations about employment as an objective for recipients have changed significantly since current social assistance legislation was introduced. This is true both among the public and among recipients themselves.

Twenty or thirty years ago, recipients of assistance – whether disabled, single mothers, or elderly – were generally considered to be outside the world of work. Few people expected that recipients would or even should move into the labour force. Consequently, there were few if any mechanisms built into the social assistance system to facilitate the transition from assistance to a job. The "world of welfare" and the "world of work" were essentially seen as distinct spheres with little movement between them.

Employment aspirations and expectations of single mothers have changed, however, as the rate of participation by women in the labour force continues to increase. The same is true of people with disabilities, who have been among the most vocal in their demands to be able to work. In other words, public attitudes about the "employability" of two of the largest groups on social assistance – sole-support mothers and disabled people – have undergone a profound change in the last two decades.

But public attitudes continue to reflect some serious misconceptions about social assistance recipients. In addition to the assumption that many recipients prefer social assistance to working, there is also a belief that once people begin to receive social assistance, they are "on" for life. Many members of the public seem to believe that most recipients of assistance are from families who received assistance, and that their children are destined to receive assistance, too.

The evidence presented to the committee during the course of the review solidly refutes these beliefs. Even in the absence of measures to encourage recipients to work, a large number do leave assistance for the labour force. The mobility of recipients is much greater than many realize. We heard from many recipients during the public hearings who expressed their willingness and desire to work and their anger at the barriers that often prevented them from working.

The aspirations of recipients to be self-reliant and independent of social assistance are corroborated by empirical evidence. In fact, research suggests that not only do recipients want to leave social assistance, they succeed at a much higher rate than we thought. The evidence has convinced us that, for the vast majority, receipt of social assistance is a temporary measure that enables individuals to weather some hard times before they get back on their own feet. Social assistance, for the vast majority of recipients, provides and must be understood to provide a period of transition.

Some of the most telling evidence comes from long-term research undertaken in the United States. One of the most important studies has followed 5,000 families since 1967. The results of the Panel Study of Income Dynamics suggest a dramatic volatility among recipients.[4] The key findings are:

- Over the long term, the proportion of the population receiving assistance at any given time was relatively constant, at 10%.

- At least 25% of the *whole* population had been, at one time or another, in a household receiving assistance.
- Half of those who ever received assistance were in that position for only one or two years.
- Long-term dependency over the whole period was found among only 7.7% of recipients.

Little comparable evidence exists for Canada, although a study commissioned for this committee has indicated great volatility among FBA recipients between 1975 and 1986. Some of the results of this study are described in Chapter 2.

In each year between 1975 and 1984, approximately 40% of FBA recipients either entered or left the system. About one quarter of the single mothers who entered FBA in 1975, 1977, 1979, or 1981 left within one year. The majority remained in the program for three years or less. Fewer than 25% of those receiving FBA in 1975 and 1977 were dependent on Family Benefits for more than six years, and dependence for very long terms is even lower. By 1984, for example, 85.7% of single mothers who had entered FBA in 1975 had left the program (see Table 1). The results of her study led the author to conclude: "This suggests that most single mothers [receiving FBA] appear to use FBA as a transitional phase in their lives, frequently in the process of adjusting to major life changes such as family break-up or loss of employment."[5]

Even more surprising, the caseload of disabled recipients was also very volatile. Among disabled persons who entered the system in 1975, 1977, 1979, or 1981, only a small majority remained within the system for three years. Long-term dependence, although greater for disabled persons than for single mothers, still accounts for a relatively small proportion of the total number of disabled recipients.

It should also be remembered in considering FBA statistics that Ontario's two-tier system effectively channels those with a greater likelihood of long-term dependence to the FBA program. Statistics including both FBA and GWA recipients would show even greater volatility and even shorter stays.

However, the degree of mobility reported in our study is counterbalanced somewhat by the rate of program re-entry, which is not insignificant. By 1986, 15% of the 25,109 persons who had entered the caseload in 1975 had returned once. An additional 4% had returned at least twice. Single mothers were more than twice as likely to return to the caseload as were disabled persons.[6]

Nevertheless we were encouraged and somewhat amazed by the degree of mobility of recipients. We were less surprised by the proportion of long-term recipients than we were by the number of recipients who actually manage to leave, given the many obstacles they faced. The results suggest a tremendous spirit and a strong drive to be

Table 1. Leaving Social Assistance

	Single Mothers(%)	Disabled People(%)
YEAR		
1975	8.2	6.1
1976	31.7	23.5
1977	47.3	35.3
1978	58.9	44.8
1979	67.8	53.4
1980	73.4	60.0
1981	77.4	65.1
1982	80.6	69.0
1983	83.1	72.1
1984	85.7	74.6

Table shows in cumulative percentages the proportion of those who entered the FBA program in 1975 who had left by each year up to 1984. Source: Patricia Evans, "A Decade of Change: The FBA Caseload, 1975 – 1986," June 1987 (SARC background paper), pp. 15, 30.

self-reliant members of the community. It also suggests an urgent need for reforms that can foster and reward that initiative and drive rather than restricting it.

Self-Reliance Through Employment

As already discussed in Chapter 3, we foresee a time when economic policy and social policy are much more integrated than is now the case. In particular, we believe there must be greater harmony between employment and social assistance.

In recent years, the gulf between economic policy and social policy seems to have widened. Those with a primary interest in income security have not always paid attention to the effects of changes in labour-market policy or tax policy. Certainly, those with a primary interest in economic policy have only rarely considered the consequences or implications for income security of macroeconomic changes.

This dividing line between economic policy and social policy, and especially between employment and social assistance, was not always so clearly drawn. In fact, more than 45 years ago, Lord Beveridge identified the maintenance of full or maximum employment as one of the premises upon which he based his proposals for a comprehensive social insurance system in the United Kingdom. The Beveridge report laid the foundation for what we now call the "modern welfare state". Not only did Beveridge assume the maintenance of maximum employment, he also made it clear that the development of income security programs did not eliminate the need for governments to pursue policies designed to maximize the number of employment opportunities. He said:

> The Government should not feel that by paying doles it can avoid the major responsibility of seeing

> that unemployment and disease are reduced to the minimum. The place for direct expenditure and organization by the State is in maintaining employment of the labour and other productive resources of the country.[7]

Keeping unemployment to a minimum has always been an underlying principle of the modern income security system. Not only do members of the committee believe that this principle should continue to apply, we believe that it must be reaffirmed.

There are at least two major reasons why the maintenance of maximum employment is so essential. The first and most obvious reason is that employment provides income, and income enables people to be self-reliant. Employment provides income through a vehicle that has always been the primary source of income for most people: the labour market. Equally important, but less well understood, is the second reason: employment provides many people with a sense of belonging, of contributing to and participating in the community, which can increase an individual's self-esteem and feeling of self-worth.

The importance that Canadians attach to work was highlighted in surveys by Decima Research, commissioned by the federal Commission of Inquiry on Unemployment Insurance. The surveys determined that 71% of Canadians found work "very important" as compared with other aspects of life.

> The vast majority of Canadians say that work is important and most, given the money to eliminate the necessity of working, would continue to work. Thus, people are motivated to work by more than the mere factor of monetary compensation... The feeling of contributing to something was cited by one quarter of the respondents as a major motivation factor.[8]

Employment, in other words, not only provides people with income. It also serves as one of the principal ways in which individuals define themselves in relation to the rest of society. It has been said many times before and we can do no better than to repeat this maxim: for most people, the best and most desirable form of income security is a job.

Some people have suggested that we need not be too concerned about the problems caused by unemployment as long as we have programs like unemployment insurance and social assistance. We reject this argument. It assumes that the benefits of employment are primarily or only economic. We believe that employment's social benefits are every bit as important.

The goal of maximum employment is not simply complementary to the specific changes we propose to the social assistance system. Rather, it is integral to the success of many of the recommendations we advance. The lack of useful, meaningful, and adequately compensated employment opportunities for social assistance recipients is, in our view, the single greatest barrier to self-reliance. Providing employment opportunities is the best way to reduce those obstacles. It may also be the key to fulfilment of our overall objective of transition to autonomy.

We are encouraged to see that the last several years of economic growth have significantly reduced the overall rate of unemployment from the high levels reached during the recession of 1981-82. We must guard against becoming complacent or being lulled into a false sense of security, however. New jobs created between the end of the recession in 1982 and 1988 were not distributed equally across the province, particularly in Northern Ontario. For example, the unemployment rate in Sudbury has only just returned to a pre-recession level, standing at 9.0% in April 1988. As recently as December 1987, it had been 13.1%. And there is little evidence that employment opportunities in the more remote and isolated communities, such as Indian reserves, are more numerous today than in the past.

The committee believes that the pursuit of maximum employment must remain a major public policy objective. But job creation is not the responsibility of government alone, nor is it the exclusive responsibility of the business sector. Rather, it is the shared and joint responsibility of government, business, labour, the voluntary sector, the community, and individuals. Nor is the battle against unemployment to be fought only at the national level. It must be fought at a regional and community level as well, with the federal government co-ordinating and leading the joint attack on unemployment.

The government must have the courage to discontinue job creation programs that have not proved successful and the creativity to try new and different approaches. We agree with the observation of the former Youth Commissioner of Ontario, Ken Dryden. After reviewing and assessing present job creation programs, Dryden wrote:

> Always the question is the same – "How can we make these programs better?" – as if contained in a next great program idea, always just around the corner, is the solution that has so far eluded us. Instead the question should be – "How *else* can we address the problem?"[9]

The next section will describe some new initiatives to increase employment opportunities and reduce unemployment.

Creating Employment Opportunities

Economic growth clearly contributes to lowering unemployment. But although economic growth must continue to be a major objective of public policy, we cannot rely on it as the exclusive method of attaining full employment. Historically, Canada has had one of the best job creation records among member countries of the Organization for Economic Co-operation and Development (OECD). Yet this country finds it more difficult all the time to generate sufficient jobs for all who need and want them.[10] In addition, the prospects for economic growth in Canada are not as positive as they have been in recent years. In light of the stock market fluctuations of late 1987, the OECD is predicting that growth in Canada in 1988 will average only 2.0%, and that unemployment will level off at 8.75% in 1988/89 and rise again to 9.0% in 1990.

Other approaches to generating employment opportunities may be required, and examples are provided below.

ALTERNATIVE DIRECT JOB CREATION

During the past 10 years, the federal government has developed a variety of direct job creation measures. One of the major job creation strategies was public service employment programs. Programs with names like LIP (Local Initiatives Programs) and Canada Works became familiar to many Canadians. Another major job creation effort took the form of wage subsidies to the private sector. These approaches to direct job creation have received a great deal of criticism. We agree with some of these criticisms, but we do not advocate rejecting traditional direct job creation programs entirely. There may very well be benefits to such approaches that we should identify and build on.

For example, a draft report prepared by the Economic Council of Canada (ECC) assessed the results of the Canadian Employment Tax Credit program, a temporary wage subsidy program that operated between 1978 and 1981.[11] The program offered private-sector employers tax credits of up to $2 an hour. The ECC found that the program had mixed results, but it also concluded that it represented a positive policy approach. While the program's impact in terms of net employment creation was relatively low, one of every five jobs subsidized did represent a real increase in employment. Of particular significance was the council's conclusion that the program was socially efficient. In particular, it cited the benefits that resulted from the creation of jobs in labour markets with high unemployment rates.[12]

Another approach to direct job creation that may be particularly beneficial for regions of the province with chronically high rates of unemployment is community economic development. As a method of job creation, community economic development is neither new nor untested. An inventory compiled recently by the Canadian Council on Social Development identified approximately 500 community economic development initiatives across Canada.[13] Some, like New Dawn in Cape Breton, have been in operation for almost 15 years. Community economic development marshals both public and private resources at a community level to encourage the development of businesses and creation of jobs that serve both economic and social purposes. It provides a mechanism that brings government, business, labour, and community groups together to fight unemployment.

Community economic development can be implemented in many different forms. It may entail a council of community representatives, which develops economic plans, or it could include community development corporations or workers' co-operatives. Whatever specific shape it assumes, community economic development appears to result in the creation of jobs that are of longer duration than those created by traditional programs, and jobs that are both useful and appropriate to a given community. It has borne fruit in regions of the country that have traditionally experienced high rates of unemployment, rates that have not been lowered by economic growth.

The potential job creation benefits of community economic development are increasingly being recognized and were discussed in the report of the federal Commission of Inquiry on Unemployment Insurance. Although aspects of the Forget report were severely criticized, much of it warrants thoughtful consideration. For example, the commission recommended that community economic development be an integral part of an overall strategy to promote economic growth. It also identified other benefits of community economic development, which the report argued "can be a powerful tool in promoting community regeneration and self-reliance."[14]

RECOMMENDATION 88

The provincial and federal governments should increase their support for community economic development initiatives in regions of the province with chronically high rates of unemployment.

Flexible Work Time

In addition to direct job creation measures, there are other indirect approaches that may increase employment by better distributing existing job opportunities. For example, it is now recognized that more flexible work options may serve that purpose. The Forget Commission concluded:

> [With the] entire structure of the economy in transition, more flexible arrangements on the job may ease adaptation to a more stable and even more thriving economy. In other words, more flexible arrangements may in and of themselves lead to a drop in unemployment.[15]

Only a few examples of more flexible work arrangements that may also reduce unemployment are described here.[16]

For many people, job-sharing implies that the responsibilities, salary, and benefits of one job would be shared by two people. The term also applies to people who reduce their work time through a shorter work week, a reduced work day, or longer unpaid vacations, thereby increasing generally the demand for new workers. A survey conducted by Statistics Canada in 1985 for the Conference Board in Canada determined that a sizeable number of Canadians, more than 30% of the employed labour force, would take pay cuts or forgo some of their pay increases if they were given more time off.[17] Professor Frank Reid of the University of Toronto Centre for Industrial Relations has estimated that if those 30% were allowed to reduce their hours, the resulting work-time reduction would be at least 5%. On the basis of European evidence, he also argues that this 5% work-time reduction would result in an increase in employment of 2%.[18]

A variety of more flexible leave options may also serve to increase the number of employment opportunities. The provision of sabbaticals, long common in academia, is becoming more prevalent in the business world. Another attractive and creative option was pioneered by the teaching profession. A "five for four" plan enables people to spread the salary that they would receive in four years over a five-year period. Participants work full-time for four years at 80% of their salary; in the fifth year they can do whatever they like – take a long holiday, start a business, go back to school – while still receiving 80% of their salary.

As we discussed in Chapter 3, we see great value in increased support for educational and training leaves. Not only can these result in a better trained and educated labour force, they can offer new job opportunities for people who replace the workers being retrained. In addition to leave options and job-sharing, we believe that new and more flexible initiatives with respect to overtime and part-time work may also increase employment.[19]

RECOMMENDATION 89

The provincial government should foster the development of more flexible work-time options in both the public and private sectors.

Alternatives to Paid Employment

Another approach to providing work for the unemployed is to offer realistic alternatives to paid employment for those now in the labour force. For example, as the pension system matures, and providing that improvements continue, it should be possible for more people to take early retirement if they wish. This alternative can be enhanced if employers provide additional incentives for employees to take early retirement.

The Ontario government has already provided leadership on this issue with respect to its own employees.[20] In December 1986, the government initiated a program called Voluntary Exit Opportunities (VEO). The program provides incentives for employees who are considering leaving the civil service. Three options are available for those already entitled to a pension as well as for those who would not yet qualify for pension entitlements.

Constructive and creative approaches are being taken in the private sector as well. For example, some companies, such as Travellers Insurance, are starting to cover all relief, contract, and vacation positions from a pool of post-retirement workers. The possibility of continuing to have some work after retirement can make the prospect of early retirement more attractive.

Many employees will not want to take early retirement. Incentives should be provided for those who wish early retirement, however, which may help to distribute employment opportunities better. But alternatives to employment need not be limited to people about to retire. They can also be provided to people who have yet to enter the labour force. Later in this chapter we will describe one example of this approach, a voluntary program of community service for young people.

Financial Incentives and Disincentives

The recommendations in this report will require a fundamental restructuring of the social assistance system as we now know it. They demand a change in attitude so that one of the primary purposes of social assistance becomes to enable and help recipients to return to their optimal level of functioning with a minimal dependence on social assistance.

A variety of approaches can and must be taken to increase the capacity of recipients for self-reliance. One of the most important is described in Chapter 5: opportunity planning is central to the success of the reforms we propose. The opportunity planner serves as the essential link between the person receiving assistance and the range of services and programs that can help that person become a self-reliant and participating member of the community.

Many of the services and programs to which the opportunity planner will refer recipients will be described in this chapter. Some of those services are provided by the social assistance system itself. Many are delivered by other government departments, other levels of government, or not-for-profit organizations. Some of the programs we will discuss are specifically designed to help people become self-reliant by moving into the labour force; other services can improve the capacity for self-reliance of all recipients, whether or not employment is the objective.

In addition to these services, there are a variety of financial measures that are also important strategies to foster self-reliance. These measures are primarily intended to decrease the financial disincentives while increasing the incentives to work. The financial incentives we propose should be beneficial in and of themselves. In combination with the provision of opportunity planning and the changes we propose to a number of programs and services, however, they will ensure that the new social assistance system concentrates and maximizes its efforts to help recipients of social assistance to lead full and productive lives.

Eliminating Financial Disincentives to Work

The existing social assistance system is bound by a number of rules and regulations

Voices

Polysar Ltd., Sarnia	*Job creation remains the most effective mechanism for eliminating or at least reducing the need for welfare assistance... Government can help. Policies aimed at job creation through enhanced trade, tax incentives, research support are important and can have a major impact on growth of industries and businesses.*
Recipient	*The hardships encountered when trying to re-enter the work force makes a person long for the security of welfare benefits.*
Metropolitan Toronto Police	*There is little or no incentive for those willing to go out to work and improve their lot when they get penalized for earning some extra income.*

that serve as financial disincentives for recipients who would prefer to have paid employment. Some of these disincentives have already been identified.

The financial disincentives and other barriers that impede movement from assistance to work are not new phenomena. In fact, their existence resulted in 1979 in the establishment by the Ministry of Community and Social Services of the Work Incentive Program, known as WIN. WIN provides assistance to recipients who take full-time jobs. It is available to all FBA recipients and to GWA recipients in selected municipalities. The program provides long-term income supplements that vary from $150 to $250 a month for a sole-support parent and from $145 to $275 a month for a disabled person. When gross income exceeds $675 monthly, the supplement is reduced at a rate of 50%. These amounts have remained unchanged since October 1981.

A number of benefits are provided through FBA to all recipients, including those taking part in WIN. For example, a one-time, lump-sum phase-out benefit of $250 is offered to assist with the start-up costs associated with full-time employment. Coverage for health benefits (such as payment of OHIP premiums, prescription drugs, dental care, eyeglasses, and hearing aids) is provided, and WIN also guarantees a rapid reinstatement of FBA entitlement without the usual waiting period if employment is terminated.

There are two particularly important features of the WIN program. First, it provides a vehicle to supplement the incomes of former recipients who are now members of

Rose, 47, Windsor

Rose is a sole-support parent with one 15-year-old child who lives at home, and two grown children, 26 and 28, who live on their own.

I first went on General Welfare in October 1978, after six weeks in a shelter for abused women. I had never received social assistance before. I was 39, married for 23 years with a beautiful home. I had two children, 6 and 17, at home and a married daughter. My 17-year-old had grade 12 to complete, and when he left his father's home in December 1978, General Welfare said they'd give me about $40 per month extra for his food, and if he was on his own, they'd give him full General Welfare benefits while he completed school. Reluctantly, my son and I decided he'd be better off on his own. He rented an apartment in his grandfather's home, completed grade 12, and went on to college. Our separation at that time still hurts both of us.

Court battles

In 1979, I received $3,000 from the sale of my home after the divorce. I had to go off General Welfare while I used up the money. After frequent court battles, I received $120 a month in child support. Later that year I enrolled in a grade 12 upgrading and a 40-week secretarial shorthand course sponsored by the Canada Employment and Immigration Commission.

After my schooling, in 1981, I began looking for work, but Windsor was in a recession. Finally I volunteered and then worked part-time at the Salvation Army for three and a half years. After this I began volunteering at my current job and two years ago was hired as a part-time secretary. I work an 18-hour week at $7.50 an hour, grossing $540 a month. I am now in a position, having had administrative training for one year, to look for full-time work with these skills. Before this, all I could ask of an employer was $5 to $6 an hour – close to the amount received on Family Benefits.

Helpless, hopeless, defeated

But there have been times when I've wondered if working was worth it. From August to November 1986, I was able to work full-time and Family Benefits cut me off. I retained my OHIP coverage but not my drug card. After confronting my worker, I received the card for November only. This card was important because I have osteoarthritis and a hiatal hernia. Also during this period, sole-support parents on Family Benefits received an $80 winter clothing allowance for their children. I did not get this. I received a bus pass for two – not three – months of full-time work and only after getting upset with my worker again. Since I've worked off and on over the years and my hours

[redacted]

have varied, I've never known how much my monthly Family Benefits cheque will be – if I get one at all. This makes it very difficult to plan. I'll never understand how Family Benefits calculates how much they'll give me each month. I don't think it's fair that they consider my gross, not net, earnings and other employment-related expenses. Sometimes they give me too much, resulting in an overpayment. I've got one right now.

It's no wonder those of us trying to get off Family Benefits lose the incentive to work. I've been striving to get off for quite a while and will continue to do so even though I feel helpless, hopeless, defeated, and overwhelmed with the struggle to survive. But I realize I must do so for my future's sake.

Avoiding special occasions

I'm currently renting a small, wartime house badly in need of repair. My washer and dryer, television, and light fixtures are broken. My household furnishings need replacing. Now my landlady's son is talking of selling the house. If this happens, I have no idea where we will live. I'm tired of using toilet tissue for kleenex and dish detergent for dishes, floors, and shampoo. I'm tired of having only enough milk for my daughter and not for me and gaining weight from starches and craving fresh foods. I feel bad about going to work in old clothes. I live in fear of special occasions because I don't have the money to acknowledge these events. If I do, I come up short. I don't like to ask people to visit because I can't afford cookies or soda.

The only good things about my life at this point are my children, grandchildren, and part-time job, which I hope holds some sort of future for me.

the working poor, thereby creating a precedent for income supplementation. Second, it applies an income test, not a needs test, to determine eligibility for the supplement. By using an income test, it is hoped that WIN will avoid imposing the stigma often associated with social assistance.

Although it has been a significant and important initiative, WIN has not lived up to expectations. Since March 1980, the number of participants has grown very slowly to reach about 2,600 in 1984. They remain a small proportion of the potential target group. There appear to be a number of reasons why WIN has not evolved into a larger program. A 1982 evaluation of WIN identified a reluctance on the part of field workers to have recipients take advantage of the program.[21] The application of an income test, which seemed to be a progressive measure, appears to have had negative effects. Unlike a needs test, an income test does not normally take into account actual costs and expenditures. As a result, individuals with high expenses because of family size or shelter costs can still do better by continuing to receive FBA. Finally, the real value of the supplement has declined substantially since it was last set in 1981.

In spite of the shortcomings of WIN, the committee believes that its many advantages should not be overlooked. Later in this chapter we will propose specific measures to restructure WIN as the basis for a more comprehensive program of income supplementation.

PHASE-OUT BENEFITS

As already mentioned, FBA currently provides a one-time phase-out benefit of $250 to recipients who move into the labour force. The benefit is restricted to those entering full-time employment, however. No assistance or incentive is provided to those taking part-time work that might lead to full-time work.

RECOMMENDATION 90

The lump-sum phase-out benefit should be extended on a pro-rata basis to those recipients who enter part-time employment.

WORK RESTRICTIONS

As mentioned earlier, the existing restrictions on the number of hours that sole-support parents receiving FBA can work are illogical and discriminatory. The "120-hour rule" encourages people to work less, not more.

RECOMMENDATION 91

The limitations on full-time work applied to sole-support parents receiving FBA should be abolished.

GWA prohibits single persons and family heads with spouses from receiving GWA and working full-time, regardless of income. Some municipalities use the "head of the household" rule to the client's advantage, but others do not, causing serious hardship to some recipients.

RECOMMENDATION 92

Fully employed single persons and heads of household with spouses should be eligible for GWA.

These two recommendations will end the existing restrictions that deny social assistance eligibility to those in full-time paid employment. They complement the changes we described in Chapter 4 to existing policies that deem self-employed people ineligible. Entitlements to assistance should be based solely on need and not on whether earned income was derived from part-time or full-time employment. Both these measures constitute transitional steps leading to income supplementation.

Definition of Income

Ontario is the only province that uses gross rather than net earned income to calculate entitlement to social assistance. The use of gross income does not take into account mandatory deductions for income tax, unemployment insurance, union dues, or compulsory pension programs, for example. These deductions significantly reduce the amount of take-home pay or net earned income. The rule is unfair and seems to symbolize the system's disincentives to work.

RECOMMENDATION 93

The ministry should adopt the use of net earnings from paid employment as the basis for all social assistance calculations.

Treatment of Earnings

The formula used to deduct earned income from the level of social assistance benefits can clearly serve as a real disincentive to move from assistance into the paid labour force. A one-dollar deduction from social assistance for every dollar earned would constitute a 100% rate of taxation and therefore a complete disincentive to work. So Ontario does allow a certain proportion of earned income to be exempted before social assistance benefits are fully recovered.

Earnings treatment consists of three separate and distinct components: a work expense exemption, a basic earnings exemption, and a tax-back rate. The current monthly exemption rates for FBA and GWA are detailed in Table 2 and Table 3 respec-

Table 2. Monthly Earnings Exemptions, Family Benefits, 1987

	Exemptions			Tax-Back Rate		Earned Income Recipient May Keep
	Work Expenses	Basic	Total Exemptions	On Next $100	On Additional Earnings	
RECIPIENT						
Single parent	$40	$100	$140	50%	100%	$190 out of first $240
Single disabled person	50	75	125	50	100	$175 out of first $225
Disabled head of family	50	100	150	50	100	$200 out of first $250

Source: Adapted from Ernie Lightman, "Work Incentives and Disincentives in Ontario," February 1987 (SARC background paper), p. 19.

Table 3. Monthly Earnings Exemptions, General Welfare Assistance, 1987

	Exemptions			Tax-Back Rate[1]	Earned Income Recipient May Keep
	Work Expenses	Basic[1]	Total Exemptions[1]		
RECIPIENT					
Single person	0	0-$50	0-$50	75%-100%	0-$117
Family (two parents, children ages 10 to 15)	0	0-$100	0-$100	75%-100%	0-$261

[1] Amounts vary at the discretion of municipalities.

Source: Ministry of Community and Social Services.

tively. The components combine to affect the actual amount of earnings that may be retained by recipients who work.

A single mother receiving FBA who also worked could earn up to $140 before having any of her social assistance benefits reduced. But on the next $100 of earned income she received per month, she would be taxed at 50%; that is, her social assistance cheque would be reduced by $50. Earnings in excess of that amount would be reduced at a rate of 100%: for every dollar she earned over $240, her cheque would go down a dollar. While she might make $240 from a job, she would only be $190 to the better because her social assistance would be reduced. There would be no point in trying to earn more than $240 because her social assistance cheque would be reduced as her earnings rose.

The impact of earnings treatment is much the same for disabled people, whether single or heads of families, although the specific amount of the work expense and basic exemptions vary. For both disabled and sole-support recipients of FBA, any incentive to work disappears entirely and begins to reverse when monthly earnings exceed \$225 to \$250. At that level of earnings, the cash benefits provided by social assistance are reduced a dollar or more for every dollar earned. Once the cash benefit entitlement is reduced to zero, eligibility for all in-kind benefits is removed; paying full OHIP premiums alone will cost a single person \$357 or a family \$714 a year.

Although historically the various rules for earnings treatment were meant to provide an inducement to work, they were accompanied by the expectation that recipients would be capable of only part-time work. Full-time employment was not considered to call for any supplementation or top-up. This explains, in part, why the levels of earnings exemptions are so restrictive.

Work Expense Exemption It is clear that one incurs expenses in taking a job. In recognition of this fact, FBA allows recipients who work to exempt a certain proportion of earnings before the tax-back rate is applied to earned income. The exemption for work expenses is intended to defray the costs of such items as clothing, transportation, child care, tools, licences or fees, and, for disabled recipients, work-related aids. In 1987, the allowable work expense exemption was \$50 a month for disabled workers and \$40 a month for other FBA recipients. Ironically, those recipients for whom the work expectation is greatest, single people on GWA, are not explicitly allowed any exemption for work-related expenses. The same is true for heads of families. An exception may be provided, however, if it relates to participation in a training program.

The work expense exemption has serious shortcomings. First, the amount of the exemption is insufficient to defray actual expenses likely to be incurred. In Toronto, for example, a monthly transit pass alone costs \$6 more than the \$40 exemption in 1988. Insufficient as they are, the current work-related exemption levels are still less than the maximum allowed by the Canada Assistance Plan (CAP) and fully cost-shared by the federal government. In 1987, CAP provided cost-sharing of a maximum work-related exemption of \$65 a month for disabled people and \$50 for all others.

The prospect of incurring out-of-pocket work-related expenses without being reimbursed may serve as a disincentive to work; if so, then those expenses must be more nearly met. Calculating exemptions on the basis of net rather than gross income will help, but additional measures are needed.

RECOMMENDATION 94

The amount allowed as a work expense exemption should be increased immediately and extended automatically to all eligible

recipients. Exemptions above that amount should be permitted, but only for actual costs incurred for predetermined expenses.

The monthly work expense exemption should be increased immediately from $50 to $65 for disabled people and from $40 to $50 for all others. These amounts recognize that work-related expenses are likely to be higher for disabled recipients. They also increase the exemption to the maximum levels allowed by CAP for full cost-sharing.

This recommendation is also intended to ensure that all legitimate work-related expenses incurred by recipients who work are defrayed. Realistic guidelines will need to be established to identify which expenses in excess of the flat amount will be considered legitimate for purposes of the exemption. In particular, this list must include direct fees and licences and the equipment and additional work-related expenses unique to people with disabilities.

A work-related expense that must be considered somewhat separately is the cost of child care. For sole-support parents receiving social assistance who have access to subsidized child care, there is no problem. Their direct expenses would be low or nonexistent. But if subsidized child care is not available, the direct costs can be substantial and a tremendous disincentive to work if they are not offset.

We recommend later in this chapter that all sole-support parents receiving social assistance have access to subsidized child care when they first move into the labour force, but we recognize that this is not presently the case. At least until this recommendation is fully implemented, we believe a work-related exemption above the flat amount should be allowed for child care expenses whenever a subsidy is not provided.

RECOMMENDATION 95

Recipients should be permitted to deduct child care expenses as a work-related exemption.

In our efforts to establish a realistic work-related exemption, we attempted to balance two competing objectives. On the one hand, we wanted an exemption that was flexible enough to accommodate actual expenses, which can vary substantially from individual to individual. On the other hand, we wanted an exemption that would be relatively simple to administer. We believe our recommendations strike a balance. The needs of most recipients should be met by the automatic provision of the flat amount. Those with legitimate additional costs can still have them defrayed, however, with a minimal increase in administrative work.

Basic Exemption After the exemption for work-related expenses, an additional basic exemption is provided. The basic exemption enables recipients to earn up to a specified maximum before losing social assistance benefits.

The current monthly exemption amounts are outlined in Tables 2 and 3. In 1987, the basic exemption for both sole-support parents and disabled heads of families receiving FBA amounted to $100. For a single disabled person, it was $75. The basic exemption for GWA recipients varied up to a maximum of $50 for a single person and $100 for a family. The exact amount of the exemption, if any was provided, was left to the discretion of municipalities.

While the expense exemption is intended to offset work-related expenses so that recipients are no worse off by going to work, the basic exemption serves another purpose. It is intended to induce social assistance recipients to enter the labour force in the first place and to ensure that they are financially better off by working. The theoretical literature indicates that the larger the exemption, the greater the incentive for recipients to take the first step to seek work.[22]

RECOMMENDATION 96

The ministry should increase the amount allowed for the basic exemption for both GWA and FBA recipients.

The precise amounts we recommend for the basic exemption are shown in Table 4. The rationale for these figures will be explained in a later section, "Synchronizing Exemptions and Tax-Back Rates." In general, however, the amounts reflect the fact that heads of families have higher expenses and therefore need a greater incentive than single people to seek work.

Tax-Back Rate The term "taxation" is normally associated with the income tax system. "Tax" is normally seen as the proportion of one's income that is due to the government to help pay for public services.

There are a number of different ways in which an individual's income can be reduced with the amount being transferred to government. While the measures applied to reduce benefits are not often referred to as taxes, they have exactly the same effect.

For example, the provincial government has policies in place that reduce social assistance income if recipients have other sources of income. In effect this is a form of taxation, and we will refer in this chapter to the effect of those policies as the tax-back rate.

Income earned by recipients above the work expense exemption and the basic exemption is effectively taxed back by reducing the amount of social assistance. As indicated in Table 2, the first $100 above the exemption levels earned by recipients of FBA in 1987 was taxed back at a rate of 50%. Income above that $100 was taxed back at a rate of 100%, or dollar for dollar. A flat rate of 75% to 100% was imposed for recipients of

Table 4. Proposed Monthly Earnings Exemptions

	Exemptions			Tax-Back Rate on Additional Earnings	Earned Income Recipient May Keep
	Work Expenses	Basic	Total Exemptions		
RECIPIENT					
Sole-support parents and non-disabled heads of families	$50	$116	$166	66.66%	up to $389
Single persons (non-disabled)	50	50	100	66.66	up to $191
Single persons (disabled)	65	78	143	66.66	up to $254
Disabled heads of families	65	110	175	66.66	up to $475

GWA after allowing for any exemptions (Table 3).

The levels set for exemptions are likely to be the most effective tool to induce recipients to enter the labour force for the first time. But for those recipients who already have some labour force attachment, the tax-back rate will be of more significance. Some research indicates that the lower the tax-back rate, the more work those already in the labour force will be willing to take on.[23] Since the disincentive to work is likely to increase with the rate of tax-back, it is clear that there will be little if any incentive when the tax-back rate reaches or exceeds 100%, as is the case now for some FBA recipients. Not only should the tax-back rate be lower, it should be the same for all recipients, as a prerequisite of a unified rate structure.

RECOMMENDATION 97

All income above the level of allowable exemptions should be subject to a tax-back rate of 66.66% for all recipients.

As an immediate first step, the province should reduce the tax-back rate to 75% of net earnings for all recipients. This measure would still allow for full cost-sharing between the provincial and federal governments, according to the CAP provisions. Cost-sharing for the difference between 66.66% and 75% would need to be negotiated between the senior levels of government. We believe that reducing the tax-back rate to 66.66% is important enough that the province must move quickly to that rate, however, even in the absence of full federal cost-sharing.

Synchronizing Exemptions and Tax-Back Rates

The levels we propose for the work expense exemption, the basic exemption, and the tax-back rate are detailed in Table 4. It is imperative that these three elements of earnings treatment be thought of as a package. They are integrally linked and interdependent.

Any change to one of these elements will reduce disincentives to work only to the extent that it leads to complementary adjustments to one or both of the other elements.

There are no theoretically correct levels for the work expense exemption, the basic exemption, and the tax-back rate. Our efforts to synchronize these three components were guided by two primary objectives. First, we attempted to propose levels that were effective but affordable. The larger the exemptions and the lower the tax-back rate, the greater the incentive to work but the greater the cost to the public treasury. Costs can be contained by lower exemptions and higher tax-back levels, but these, unfortunately, would reduce the incentive to work. Our recommendations represent an attempt to balance effectiveness with affordability.

Our proposals reflect a second important objective. We wanted to substantially improve the financial incentives for recipients to work. Given the variability of existing exemption provisions, however, we also had to ensure that our proposals would not inadvertently leave any recipient worse off. Our recommendations and the figures we have advanced are very specific for that reason. They ensure that the financial incentives to leave social assistance are improved for all recipients. The recommendations reflected in Table 4 are interim changes, however, which will need to be changed again as our long-term proposals are implemented, in particular the children's benefit and the disability income programs. Further adjustments required at that stage will be described later in this section.

EARNINGS AVERAGING

For social assistance recipients entering the labour force in lower-wage jobs, hours of work can often be irregular and erratic, resulting in earnings that fluctuate greatly from one month to the next. Without a provision for averaging income over a significant period of time, several negative consequences would result.

First, in those months when recipients work for more hours than the average, they might lose their eligibility for social assistance, with loss of benefits as well as income. Recipients, in these instances, may discover after the fact that they have lost OHIP or prescription drug coverage for themselves and their families. Second, in months when their earnings are low, recipients may earn less than the earnings exemptions would otherwise allow. Accordingly, over a period of months with both high and low earnings, recipients who work irregular hours receive less benefit from earnings exemptions than recipients who are able to work regular hours.

Earnings averaging can prevent the destabilizing effect of having social assistance payments going up and down from month to month at a time in a recipient's life when increased economic stability is crucial. It can eliminate the need for the stringent reporting requirements that would be necessitated by frequent reviews of earnings.

A steady feature of the present social assistance system has been averaging of earnings over a long period. However, the present averaging periods vary by category of recipient: disabled persons and their spouses can average their earnings over six months; single parents can average their earnings over four months; but employable persons can usually average their earnings over only one month.

Members of the committee believe the objectives behind the averaging of earnings are sound. However, it is clear to us that the advantages of earnings averaging ought to apply equally to all recipients. The differences in the current averaging provisions cause needless complexity while requiring categorical distinctions to accommodate them.

RECOMMENDATION 98

Earnings averaging provisions should be retained, with the averaging periods equalized at six months so that all recipients and their spouses may benefit equally.

The six-month period in our view is sufficiently long to ensure economic stability among recipients while permitting recipients to take full advantage of their earnings exemptions. Equalization at six months would assist in alleviating needless categorical distinctions while relaxing burdensome reporting requirements.

TRAINING ALLOWANCES

There have been a number of initiatives in recent years to increase the availability of training and employment preparation programs to improve social assistance recipients' prospects for employment. This is a direction we fully support and a subject to which we will return later in this chapter.

Many training and employment preparation programs provide allowances. The treatment of income from such programs is affected by guidelines that can be changed relatively easily to ensure that income treatment does not act as a disincentive to enter training programs. By contrast, the treatment of income from employment is governed by regulations that have not been changed since 1981. As a result, the treatment of income from training allowances is often more generous than the treatment of income from employment. Recipients who move from training and employment preparation programs into employment can therefore suffer a financial loss.

We believe that participation in training and employment programs is a legitimate and important goal for many recipients; it may very well increase the potential of successful participation in the labour force. We believe the incentives to participate in such programs should be as great but no greater than those provided for recipients going directly into the labour market.

RECOMMENDATION 99

The earnings treatment applied to income from training and employment preparation programs should be the same as that applied to income from employment.

Providing Financial Incentives to Stay at Work

To this point we have focused on the specific changes needed to encourage and assist recipients who want to move into paid employment. These measures consist of eliminating financial disincentives as well as providing positive financial incentives to work.

We are also conscious of the need to ensure equity between the poor on social assistance and the poor in the labour force. Our proposals to reduce disincentives for recipients would be counter-productive if they simply served to induce low-income workers to quit work in order to qualify for more attractive work incentives through social assistance. The committee believes this phenomenon will be prevented only by providing financial incentives for low-income people in the labour force, the working poor. Whether they are targeted towards social assistance recipients or the working poor, measures to increase incentives to work must be fully co-ordinated and harmonized. The need for harmonization is crucial to the success of all our recommendations relating to this issue and will be discussed in greater detail later in this section.

THE WORKING POOR

As Chapter 2 indicates clearly, poverty is not a condition limited to those receiving social assistance. In fact, the majority of people in Ontario who are poor receive little or no income from social assistance.

People can work and still be poor for a variety of reasons. For some people, employment is seasonal and not year-round. For others, employment is part-time, not necessarily by choice but because full-time work is not available. For still others, the problem is not a shortage of full-time, permanent work. Rather, it is the inadequacy of wages. The wage scale does not recognize family size, so a wage sufficient for a single person often is inadequate for a person who has dependants.

The proportion of people who are poor and working is already substantial, but it seems likely that the numbers will increase. Although recent job creation statistics look impressive, a much greater proportion of those new jobs are part-time rather than full-time. And with the growth of the service sector, an increasing number of jobs will pay relatively low wages and provide fewer benefits. It is highly likely, therefore, that there will be an increase in the numbers of the working poor despite economic growth and job creation.

The size of that part of the population who are working but still poor is a particular problem because, in most cases, the working poor are denied access to benefits provided by the social assistance system. This barrier to assistance for the working poor is a holdover from another era when the "world of work" and the "world of welfare" were seen to be mutually exclusive.

The failure to extend help to the working poor has long been criticized as the major shortcoming of Canada's income security system. It sets one group of poor people against another. And it often serves as a disincentive to move from welfare to work and as an incentive to leave work for welfare. Denial of assistance to the working poor also thwarts our underlying assumptions about equity. If society determines that it has a collective responsibility to assist those in need, there is no justification for distinguishing those in need who are not working from those in need in the labour force. The committee believes strongly that extending help to the working poor must be one of society's major priorities.

RECOMMENDATION 100

The provincial government should begin negotiations immediately with the federal government to design and implement a comprehensive program of income supplementation to top up the wages of low-income workers.

A call for an income supplementation program is not particularly radical. A variety of recent government task forces and commissions have advocated income supplementation, including the Macdonald Royal Commission on the Economic Union and Development Prospects for Canada, the federal Forget Commission on Unemployment Insurance, and the Newfoundland Royal Commission on Unemployment, known as the House Commission. Nor is the concept especially new. In fact, several provinces already have versions of an income supplementation program, although they are relatively limited and modest. Quebec, Saskatchewan, Manitoba, and Ontario have grafted limited forms of income supplementation onto their social assistance systems.[24] They are targeted primarily towards working poor families, with the benefit amount varying with the number of children in each family.

Manitoba's Child Related Income Support Program (CRISP) is an income-tested benefit; in 1985/86, it provided a monthly maximum of $30 per child. In 1984/85, the program expenditure was $6.1 million, for 8,534 families including 19,390 children. The Family Income Plan (FIP) in Saskatchewan is more generous, with a maximum benefit of $100 per child per month. In 1984/85, 7,767 Saskatchewan working families were receiving FIP benefits, with a total expenditure of $18.9 million.

Until 1987 Quebec had a program called SUPRET (Programme de supplément au revenu de travail), which supplemented the incomes of working poor singles as well as families. The benefit provided a maximum of $100 a month for singles and $191 for two adults with two or more dependants. In the 1984 calendar year, expenditures amounted to $25 million for 28,245 households. In the 1987 provincial budget, the Quebec government announced an expanded but more focused income supplementation program. The SUPRET component that provided assistance to childless working households was to be replaced by a new program, APPORT (Programme d'aide aux parents pour leurs revenus de travail), which will supplement the incomes only of low-income families with children. A two-adult family with two children ages 6 to 11, for example, would receive a monthly maximum of about $297, and another $100 to cover child care. The APPORT program, which was slated to go into effect retroactively to January 1, 1988, would benefit 44,000 families with an estimated annual expenditure of $65 million.[25] At the time of writing, the Quebec reform proposals had yet to be reviewed by a legislative committee, which was required before the changes could be effected in the legislation or regulations.

INCOME SUPPLEMENTATION

The experience of other provinces is useful and establishes important precedents. We envisage a program of income supplementation, however, that differs from other provincial programs in that it would be extended to single people. We believe income supplementation must be made available to all low-income workers below a certain level of income, regardless of whether they are members of a family or individuals.

We see income supplementation evolving as a program distinct and apart from the existing social assistance program. Given the existence of income supplementation in other provinces, we see the eventual implementation of income supplementation as a national federal-provincial shared-cost program. In a national program, the benefit could be delivered through the income tax system, which would maximize the harmonization of income supplementation with other income security programs.

The development of medicare as a national program resulted from the rationalization of public hospital-insurance programs that already existed in several provinces. Similarly, existing provincial programs of income supplementation can and should be used as the building blocks for a national program of income supplementation. Although there are differences in the design of the programs in Saskatchewan, Manitoba, Quebec, and Ontario, they are not so great as to preclude their integration into a national scheme if jurisdictional and political problems can be resolved.

The development of an income supplementation program in Ontario need not start from scratch. In fact, the existing Work Incentive Program can and should be adapted to that end.

Donna, 22, Toronto

Donna is married with two children, and is pregnant with a third.
We came from Jamaica to join our families here. We thought life would be better in Canada. Life is different here, but not necessarily better. Things were easier back home. But we don't regret coming to Canada. I finished grade 12 here and my husband has grade 9. We would both like to return to school. I'd like to take nursing and he would like to qualify to operate movie projectors like he did in Jamaica. But right now it would be difficult to be in school. With two small children there would be no time to study, and we would lose an income.

Hard work isn't enough

My husband is a labourer and I am a machine operator in a clothing factory. I trained for it through a Manpower course. I chose this training because there were plenty of these jobs and I knew I could get one quickly. The job is O.K.; it's piece-work, so you can make as much money as you want to. But by 2:30 p.m. I can't do much, because I get tired. I'd like a job that is cleaner. There is an air conditioner but it's dusty and I get allergies from the fleece. My husband likes his job. It's a union shop and he can work his way up. The shift work is difficult though, because he finds it hard to sleep. If he goes to work tired it can be dangerous, because he operates machinery. I have to do the work at home when he is on the day shift, but when he works nights he can help out.

If we could afford it I'd stay home with our children. Like my husband says, there's nothing like a mom for the kids. We worry how both of us working affects them. We can't spend enough time with them. They seem to be more attached to their babysitter, since they are with her five days a week. It makes us feel terrible.

It's hard to ask for money

We net about $24,000 a year. By the time we pay the basics each month we may have about $150 left. There's not much you can do with that. We have no savings, no credit cards. We never take a vacation. Occasionally we can go to a movie, but we usually watch television or listen to music at home. We don't own a car or a house. We live in a one-bedroom apartment and my husband has to sleep on the couch. But two-bedroom apartments rent for between $700 and $900, and even with both of us working we can't afford one. I applied for subsidized housing over a year ago. We are on a wait list. We all do without things, even the kids, and when we say no they cry and we feel bad. When my husband's grandmother died recently in Jamaica he couldn't

[redacted]

send any money to help bury her.

If an emergency expense arose, we would have to borrow the money. It's hard to ask for money. People think that since we are working we shouldn't need the money. We owe my brother-in-law some money, but I don't know when he will get it. We'd never use any free services, like for clothes or food. Those are for paupers. It would be too embarrassing. But we could use some help. Even $200 more a month and life would be much better.

Not giving up hope

I think the government should give something to people who are working if they need it. We pay taxes and work so hard. It's embarrassing when you get your paycheque and the amount is so small after working so hard. But work is important to us. It means independence and it sets a good example for the kids. We would never apply for welfare. We'd do without first. It's not fair that people on welfare get money and don't do anything.

We get sad and worry sometimes. My husband fantasizes about running away to escape when he feels overwhelmed. But we believe our situation will change some day. We'll pay off our bills and be able to save some money. We are not going to give up hope. My husband always has the dream that we are going to be rich.

RECOMMENDATION 101

A revamped and restructured Work Incentive Program (WIN) should serve as the foundation for Ontario's income supplementation program.

As initial steps, we suggest that the income levels used to determine eligibility for WIN should be set at the level of the minimum wage. In addition, entitlement should be extended to recipients of GWA. As these changes are implemented, discussions should also begin with the federal government and other provincial governments to lay the groundwork for a national plan. The next revisions to WIN would be an increase in the level of benefits and an expansion of entitlement to include all low-income workers, not simply those in receipt of social assistance. The next step would result in the development of a separate administration for income supplementation, divorced from the social assistance system. All the while, it is assumed that negotiations would take place with other governments, leading eventually to a national scheme.

Entitlement to income supplementation benefits would clearly be limited to those who participate in the paid labour force. Therefore, it would serve as a positive incentive for those who are able to leave assistance and move into paid employment. Those unable to work, however, would still have access to social assistance.

Although our proposal may appear to result in a massive new program, the number of beneficiaries may not be as great as it first seems, especially if the future unfolds as we describe it in Chapter 3. We anticipate, for example, that relatively few disabled people would need to enter the income supplementation program if they have access to disability insurance or disability benefits. And the provision of a significantly enriched children's benefit would substantially reduce the need for a number of sole-support parents to receive either income supplementation or social assistance. The children's benefit plus earned income should be sufficient to keep many sole-support parents and their families out of poverty.

The Minimum Wage

Perhaps the most controversial and contentious aspect of any proposal for income supplementation will be its relationship to and effect on the minimum wage. The significance of the minimum wage to the working poor should not be underestimated.

The evidence is clear and irrefutable that the value of the minimum wage is much lower today than it used to be.[26] Since 1975, the purchasing power of the minimum wage has declined by 22%. In relation to the average industrial wage, minimum wage has declined steadily in recent years; between 1975 and 1985, it dropped from 47% of the average industrial wage to 38%. The increase to $4.55 an hour as of October 31, 1987, has increased that proportion somewhat, to an estimated 41%. In 1975, the minimum wage provided income amounting to 106% of the poverty line for a four-person, two-income family. By 1985, that ratio had fallen to 81%; it has increased to 85% of the poverty line as a result of the 1987 increases.

The low value of the minimum wage has had particularly harmful consequences for two groups in particular: women and young people. A recent report of the Social Planning Council of Metropolitan Toronto cites Statistics Canada figures that are generally supported by previous surveys undertaken by the Ontario Ministry of Labour. As of December 1984, 62% of minimum-wage workers were women and 60% were under the age of 25.[27]

Some people will argue that income supplementation is not the best way to help the working poor. They are concerned that such a program would further exacerbate the disparity between the minimum wage and actual living costs, and that it would enable employers to abdicate their responsibility to pay a fair and reasonable wage for a day's work. Those who share this view are concerned that income supplementation will serve, in effect, to subsidize employers, not employees; they believe the preferred method of helping the working poor is to significantly increase the minimum wage.

On the other hand, many people would strenuously oppose any move to increase the minimum wage substantially. They are concerned about a negative impact on overall employment. Although a large body of empirical research exists, the evidence of job losses resulting from increased minimum wages is inconclusive.[28] The only conclusion suggested by the evidence is that youth, in particular, may be the group most affected if losses were to occur. But even though the research is inconclusive, the business community is convinced that job losses result from increased minimum wages. This argument is advanced, in particular, by advocates of small business like the Canadian Federation for Independent Business. The minimum wage required to ensure equity between the poor in the labour force and the poor on social assistance has been estimated at $8.00 an hour; a proposal to that effect would undoubtedly result in severe criticism from business and probably from the public as a whole.

The committee does not believe that helping the working poor requires a choice between income supplementation and increasing the minimum wage. Given the erosion in the value of the minimum wage in the last decade, we believe an argument can be made for increasing the minimum wage. On the other hand, we do not believe a higher minimum wage will resolve all the difficulties encountered by the working poor. It is not and cannot be sensitive to family size. Increasing the minimum wage will benefit singles far more than families, and it will benefit smaller families much more than larger families.

We do not believe that income supplementation and a decent minimum wage are

Voices

Recipient	*Manpower refuses to send me to any job under $8.00 per hour because they say a family of six cannot live under it. I have had employers tell me the same thing.*
Ontario Association of Professional Social Workers	*Many working women, particularly those attempting to get off social assistance, are paid minimum wage. As one mother expressed it, "To receive $4.35 per hour to work and to pay $4.00 per hour for babysitting for two children is hopeless."*
Anonymous	*Even though I'm working I'm making less than if I'd be on Mother's allowance which is very discouraging to me. I'm trying to raise 4 teenagers on a very small budget and I feel I'm sinking lower and lower all the time.*

contradictory policy objectives. On the contrary, we see the two as complementary. Income supplementation must not be viewed as and must not become an alternative to a reasonable minimum wage policy. A reasonable policy means not only increasing the minimum wage but also changing the method now used to establish the minimum. In Chapter 4 we suggested that the levels of social assistance benefits should be determined by relating them to some other objective, relevant economic benchmark. We propose that the same general approach be used to set the minimum wage, and we suggest that the average industrial wage is the most logical and appropriate yardstick. The precise formula to be used will need to be developed in consultation with business and labour. It will need to reflect both labour costs and employment effects, and it must be synchronized with the amount of social assistance and income supplementation benefits. Finally, it will need to be harmonized with the tax system.

The formula will need to be applied gradually and would perhaps best be introduced by means of a three-year trial period. The implementing legislation could include a sunset clause and a formal review process that would require an independent evaluation of its economic and social impact. The formula used to set the minimum wage in any given year would be some percentage of the average industrial wage in the preceding year. It should also be flexible enough that it can take into account the state of the economy. If significant increases in the minimum wage happened to coincide with a recessionary labour market, for example, the formula could allow them to be deferred for future catch-up.

The committee believes that a rational approach to establishing the minimum wage is a reasonable expectation for a modern industrial society. An approach along the lines we have suggested would serve that purpose. It would ensure that an income supplementation program remains a subsidy for employees and not employers. We believe that a fair minimum wage combined with a program of income supplementation is the best method of helping and supporting the working poor and of ensuring that those in the labour force do not need to turn to social assistance for help.

Harmonizing Financial Reforms

INCOME SUPPLEMENTATION, SOCIAL ASSISTANCE, AND THE MINIMUM WAGE

Not only must the minimum wage be synchronized with income supplementation benefits, both must be fully harmonized with the social assistance system and, in particular, with benefit levels and earnings exemptions. All these elements are like the components of a mobile; they are very finely balanced, and shifting one component even slightly will affect the balance and operation of the whole system. To illustrate the need for harmonization, Table 5 presents suggested benefit, exemption, and tax-back levels for one possible design that fully harmonizes social assistance, income supplementation, and minimum wage. This harmonized system is depicted graphically in Figure 1.

The specific amounts and figures presented in Table 5 are at Stage Four, before the long-term recommendations of Chapter 3 are fully realized, but after the implementation of a number of short-term and medium-term recommendations. (Chapter 11 will describe in greater detail which recommendations are to be implemented at each of the five stages.) It is at this stage that we suggest that the income supplementation program should become fully operational.

At Stage Four, the specific changes described in Chapter 4 would result in a maximum social assistance benefit of $713 for a single person (in 1988 dollars). We suggest that the earnings treatment consist of a basic exemption from earnings of $100 and a tax-back rate on earnings above that amount of 66.66%.

The specific design features of an income supplementation program must be fully harmonized with the benefit levels, exemption amounts, and tax-back rates established for a social assistance system. They must also consider fiscal limitations. The higher the benefit level and the lower the tax-back rate, the greater the cost to the public treasury. In developing a design that harmonizes social assistance and income supple-

Figure 1. Proposed Levels of Income

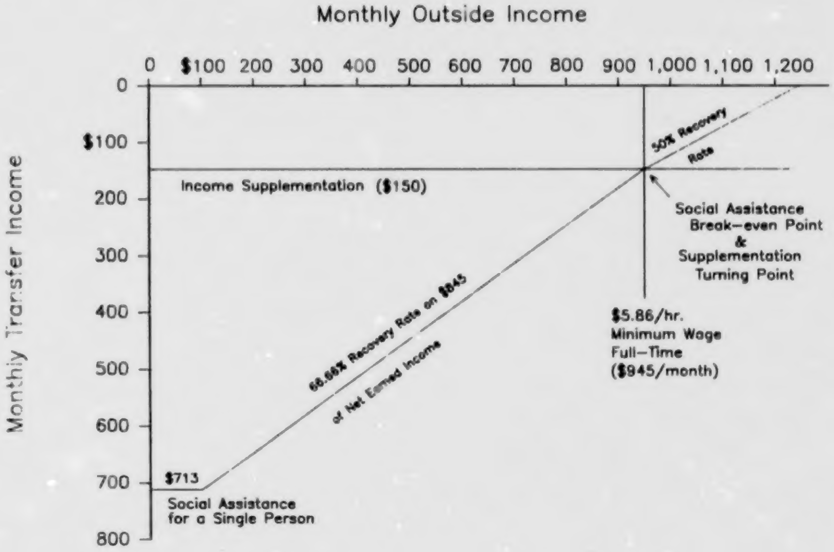


Table 5. Proposed Levels of Income

	Proposed Level
SOCIAL ASSISTANCE	
Maximum benefit (monthly)	$713
Total exemptions	$100
Tax-back rate	66.66%
INCOME SUPPLEMENTATION	
Maximum benefit (monthly)	$150
Tax-back rate	50%
Turning point	$945
Break-even point	$1,245
MINIMUM WAGE	
$5.86/hr	$945

Stage Four levels of social assistance benefits and income supplementation for a single person, and earnings from a full-time job at minimum wage, in 1988 dollars.

mentation, we have proposed changes that we believe are affordable but that also ensure the provision of adequate rates, meaningful exemptions, and tax-back rates substantially less than 100%, in order to ensure that social assistance recipients are better off financially when they take a job.

As Table 5 also shows, income supplementation would provide benefits up to a maximum of $150 a month per person, or $1,800 a year in 1988 dollars. A couple would receive a maximum benefit of $300 a month, or $3,600 a year, providing that both spouses worked either full-time or part-time. The threshold or turning point, at which income supplementation benefits would start to be reduced, would equal the minimum wage. The reduction rate would be 50%, and the break-even point, at which benefits would be reduced to zero, would be $1,245 a month. The specific social assistance and income supplementation measures we have described here would require a minimum wage of $5.86 an hour, or $945 a month, in order to maintain the incentive to work. These three measures combined would ensure that recipients would be better off working.

Harmonizing the minimum wage with income supplementation and social assistance is essential if the objective of public policy is to encourage and provide incentives for people on assistance to engage in paid employment. Failure to harmonize the various elements may thwart the achievement of that objective. For example, the government may decide that a minimum wage of $5.86 will engender too much public criticism. It could decide to impose a lower minimum wage but increase income supplementation benefits. Conceivably it could even decide to set both minimum wage and social assistance benefits at a lower level. If it chose a lower minimum wage level without adjusting the levels of either social assistance or income supplementation, however, it would be working at cross purposes by increasing the disincentive to work and the incentive to stay on assistance.

We have presented one possible design for an integrated system of social assistance, income supplementation, and minimum wage. There is no perfect or correct design, however. The amounts established for each of the components of the system will result from political and economic choices that must be made by the government. These choices will require a balancing of different and sometimes conflicting views and opinions and different policy objectives, and they will require that compromises and trade-offs be made.

The committee is aware that this process is a difficult one. In order for us to present a design that we believe to be workable, we needed to make compromises too. We would have preferred a lower tax-back rate on earned income for social assistance recipients. Some committee members would have preferred a higher minimum wage. We accepted certain compromises, however, so that several key objectives were met. First, we wanted social assistance levels to be adequate. Second, we felt it should always be more profitable to work than to receive assistance. Third, the combined financial measures had to be politically and economically feasible.

In our view, the most important component in our harmonized system is the social assistance benefit level. Once the government has defined adequacy and provided social assistance benefits that meet that definition, that should become the fixed variable, with the other components being changed accordingly. Adequacy of social assistance benefits, in other words, should drive the process of harmonization. Identifying other components as fixed variables could have a tremendously negative impact on adequacy. We note the experience of the New Brunswick government, which tied the level of social assistance benefits to the provincial minimum wage in the 1970s. Within six years, New Brunswick's ranking among the provinces with respect to the adequacy of benefits dropped from third to tenth place. At least part of this drop resulted from linking benefits to the minimum wage.

Determinations about the definition of adequacy or what is economically feasible are essentially political decisions for which, ultimately, the government must account. As government leaders make such decisions, we urge them to remember that the objective of reform must be to increase the ability of social assistance recipients to be self-reliant.

RECOMMENDATION 102

Efforts to reform social assistance must ensure that the elements of a social assistance system, a program of income supplementation, and the minimum wage are integrated and harmonized as fully as possible in order to maximize the incentive for social assistance recipients to achieve self-reliance through employment.

THE TAX SYSTEM

To this point, we have focused our attention on three of the most important sources of income for low-income Ontarians once our recommendations are implemented: minimum wage, social assistance, and income supplementation. Not only must each of these income sources be harmonized with one another, they must also be harmonized to the greatest extent possible with the vehicle used by governments to collect income: the tax system.

The federal income tax system is full of a variety of deductions, exemptions, and credits that constitute a benefit in that they defer or reduce the amount of taxes payable. As a result, tax benefits can and do influence the behaviour of individual taxpayers. Tax provisions can be structured to increase or decrease the incentive for recipients to work. An excellent example was provided by the federal government's recent proposals for tax reform, especially as they affect disabled people.

As part of the reform, the federal government proposed replacing the special deduction for disabled persons by a federal tax credit of $550. In addition, a non-refundable tax credit of 17% of allowable medical expenses that exceed 3% of a taxpayer's income would replace the existing medical expense deduction. In response to the federal proposals, the Coalition of Provincial Organizations of the Handicapped (COPOH) argued that the provisions were not sufficient to reduce all the barriers that make it difficult for disabled people to play an active role in the labour force. The coalition advanced several suggestions for additional tax measures that would encourage and enable more disabled people to work. Among other suggestions, COPOH advocated that people with disabilities should be entitled to deduct those disability-related expenses incurred by employment. Similar tax provisions exist in most other industrialized countries. In addition, it was recommended that a one-time-only accommodation deduction of up to $45,000 should be provided to businesses expending capital to accommodate disabled employees, consumers, or tenants. Both measures, it was argued, could increase the prospects of employment for people with disabilities.[29]

In its response to the tax reform proposals, the federal Standing Committee on Finance and Economic Affairs spoke favourably about these and other of COPOH's recommendations as ways of reducing obstacles to employment for disabled people.[30] We also support COPOH's proposals, and we believe they provide a concrete example of measures that can be initiated in other fields and other jurisdictions that would foster self-reliance for social assistance recipients.

While we believe the tax system can and should play an important role in increasing incentives to self-reliance, it is essential that such tax incentives be synchronized with incentives provided by income security programs. Experts in both economic and social policy are coming to understand the importance of harmonizing the tax system with income transfer programs. This goal, in part, influenced the federal government's 1987 proposals for tax reform. More people are coming to realize that improvements to income security programs that the government extends with one hand can be completely undermined by the money that it collects through taxes with the other hand.

In 1984, the Quebec government released a White Paper on the tax and transfer systems, describing some of the problems resulting from a lack of integration between these two systems.[31] The Quebec report also proposed specific changes that would result in increased harmonization. The White Paper has had an important impact in economic and social policy circles and beyond the province of Quebec. It has influenced some of the recommendations in our report. In particular, it has enabled us to better understand that the methods used to recover social assistance benefits are simply different forms of taxation, with the potential to do harm or good. This understanding has shaped recommendations we have advanced about certain features of social assistance and income supplementation programs, particularly exemption levels and tax-back rates.

The specific recommendations advanced in the Quebec White Paper have a somewhat limited application to Ontario, however. Quebec, alone among the provinces, has its own system of direct personal income tax. Ontario, like all other provinces save Quebec, collects personal income tax by piggybacking onto the federal income tax system. The prospects for integration of the tax and transfer systems are greater in Quebec because Quebec collects its own income tax.

In addition, while it is essential that the tax and transfer systems not be seen as distinct and mutually exclusive components of public policy, there are limits to potential integration. As Professor Derek Hum of the University of Manitoba has argued:

> The view held by society concerning government's appropriate treatment of its citizens, or of its citizens' reciprocal obligations to the state is very different depending upon whether the state is "taking" or "giving". Springing from this most fundamental of purposes, there can never be complete integration of social transfers with the personal income tax.[32]

Even within these limitations, however, there are positive steps that Ontario can take. As a further incentive to work, for example, the province could decide that it will not collect its share of personal income tax from those earning the minimum wage. This could be done relatively easily by adjusting the "zone of forgiveness" that exempts from Ontario income tax those residents with taxable income below a certain amount. In the 1987 tax year, residents with taxable income below $2,080 were exempt from paying Ontario income tax.

We have no specific proposals for changes in the taxation system to harmonize with our recommendations for social assistance, income supplementation, and minimum wage. Devising such proposals would have required an analysis beyond our capabilities. We understand the need to harmonize the tax system with our other recommendations, however, and we urge the province to adjust its taxation system as necessary in order to maximize the incentives to work resulting from our specific recommendations.

HOUSING PROGRAMS

The need to harmonize rules and regulations affecting the treatment of income of social assistance recipients extends not only to the tax system but also to other government programs or activities that have their own rules and procedures affecting recipients. Social housing programs provide perhaps the best example.

Although most social assistance recipients live in private-sector, non-subsidized housing, about 18% of all beneficiaries find accommodation in publicly subsidized rent-geared-to-income (RGI) housing. Of the 245,500 tenants living in RGI units in Ontario in 1987, provincial officials estimate that approximately 95,450, or 38.9%, were recipients of social assistance. As a result, the rules and procedures established for social housing can affect significantly the capacity for self-reliance of recipients who live in these units.

In discussions with the chairman and members of the board and staff of the Ontario Housing Corporation (OHC), we were impressed by their understanding of the direct impact their policies have on social assistance recipients. We were also encouraged by recent initiatives taken by the Ministry of Housing that were specifically designed to reduce existing barriers that may serve as disincentives for public housing tenants to seek paid employment. As of October 1987, for example, certain payments related to job training were excluded from the income level used to determine the amount of rent owed. Excluded from income are payments made directly to tenants to cover the cost of child care, transportation, tuition, or books, or living-out expenses incurred while participating in programs to provide employment or to enhance job skills and qualifications. This measure provides not only symbolic but tangible support and encouragement for public housing tenants who would like to improve their employment prospects, and OHC is to be commended for it.

Public housing authorities could take other initiatives to foster self-reliance. We note with interest several suggestions made in the fall of 1987 by a Committee on Rents struck by the Metropolitan Toronto Housing Authority (MTHA), which manages 33,000 public housing units. The Committee on Rents made a number of proposals to change the method by which rents in public housing are calculated. They suggested that employed tenants should be able to deduct employment expenses of $1,200 a year. It was also proposed that deductions from income be allowed for child care and after-school care programs. Another suggestion was that tenants be given three-year leases, with the rents in the second and third years being adjusted only by an increase in the Toronto Wage Index; this approach would remove the implicit penalties for additional work that are now encountered by tenants.

The specific proposals advanced by the Committee on Rents had yet to be approved by the OHC board at the time of writing. We believe, however, that they represent positive and constructive ideas that would encourage self-reliance for public housing tenants by removing structural barriers to paid employment. We urge senior policy-makers in public housing to give them serious consideration.

While we applaud public housing authorities for initiating or considering proposals like those described above, we also emphasize the need to harmonize such changes to the fullest extent possible with those being considered by the various other programs affecting tenants. This will entail close co-operation with the Ministry of Community and Social Services, in particular, as well as with other provincial and federal programs that provide income for public housing tenants. To the extent that different programs providing direct or indirect financial assistance have rules and regulations that work at cross purposes, they are likely to thwart other efforts to foster the self-reliance of social assistance recipients.

LONG-TERM REFORMS

Income supplementation is a key element of the future income security system described in Chapter 3. The program of income supplementation we have described above is a design that assumes the eventual implementation of the other key components of our long-term vision, in particular the children's benefit and disability income programs. It is a program that provides a basic benefit on an individual basis to adults only. Once our long-term reforms are fully realized, social assistance will also provide benefits for adults only on an individual basis. As a result, the features of income supplementation and social assistance at Stage Four, as detailed in Table 5, are presented as figures for a single person only.

Once Stage Five is realized, a sole-support mother eligible for either income supplementation or social assistance would apply for and receive benefits only for herself, not for her family. It is assumed that the income needs of her children would be fully met by the children's benefit. The same applies for a disabled head of a family; his or her own income needs will be met by disability insurance or the disability benefit, and/or income supplementation. Income needs of his or her children will be met by the children's benefit.

A snag could develop, therefore, at Stage Four of our recommendations if social assistance shifts from a family-based system, as it now is, to an individual-based program, as is required if it is to be harmonized with income supplementation. If no other program is in place yet to meet the income needs of children, sole-support parents would suffer financially. As a result, the specific benefit, exemption, and tax-back levels identified in Table 5 may need to be adjusted temporarily during the transition from Stage Four to Stage Five of our recommendations. Such adjustments must ensure that no recipients are financially worse off at any point during the implementation of the various components of our reforms.

The discussion above about harmonization focused on social assistance, income supplementation, and the minimum wage, in particular, because we believe the implementation of income supplementation is a priority. The need to harmonize these components with the children's benefit and disability insurance as well as with the disability benefit is no less important. The technical experts of the day will need to go through an exercise similar to the one we have performed in our attempt to design an integrated system of social assistance, income supplementation, and minimum wage.

Once again, the primary objective must be to maximize the prospects for self-reliance for recipients and to do so through employment whenever feasible.

Transitional Supports and Services

In addition to financial measures, a range of non-financial services and supports can help social assistance recipients to succeed in making the transition from dependence to self-reliance. Such measures include basic literacy courses, job placement services, skills upgrading, and child care. While these services and supports can foster self-reliance, some can also be characterized as preventive programs, as they may preclude the need for some people to begin receiving assistance in the first place.

Some of the programs and services described below are specifically aimed at helping recipients achieve self-reliance by entering the labour force. Others may indirectly increase the employability of recipients although that is not their primary objective. Still others will help all social assistance recipients increase their capacity for self-reliance, even if that does not include participation in the paid labour force.

Educational Programs

Remedial Literacy Training

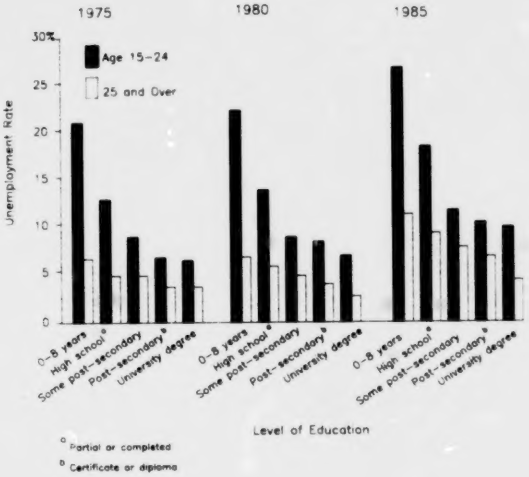
Members of the committee take it as a given that a basic level of literacy and numeracy is a prerequisite for almost any job. Like an increasing number of Canadians, we are alarmed at the extent of functional illiteracy in the population as a whole. We are even more concerned, however, about the extent of illiteracy among social assistance recipients. Several recent surveys suggest that 50% or more of social assistance recipients are functionally illiterate.[33]

The link between unemployment and low educational attainment associated with illiteracy is well established. As indicated in Figure 2, those with less than eight years of formal education have a much higher rate of unemployment than those with more formal education. In addition, there is a strong correlation between low levels of education and poverty. As indicated in Table 6, the poverty rate for both unattached individuals and household heads was highest for those having only an elementary school education.

Clearly, direct access to the job market will be impeded by illiteracy. In addition, illiteracy also functions as a barrier to programs specifically aimed at helping the unemployed enter or return to the labour force. Ironically, a number of training programs that could help recipients become more employable have prerequisites of Grade 10, 11, or 12.[34]

In recent years, the problem of illiteracy has received increasing public and govern-

Figure 2. Unemployment by Age and Education



[a] Partial or completed

[b] Certificate or diploma

Source: Statistics Canada, *The Labour Force, December 1985* (Cat. no. 71-001), 1986, p. 89. As cited in Canada, Commission of Inquiry on Unemployment Insurance, *Report* (Ottawa: Supply and Services, 1986), p. 134.

Table 6. Poverty and Educational Status, 1984

	Poverty Rate (%)
EDUCATIONAL STATUS OF HEADS OF FAMILIES	
Elementary	15.4
High school	13.2
Post-secondary	6.4
EDUCATIONAL STATUS OF UNATTACHED INDIVIDUALS	
Elementary	51.0
High school	32.5
Post-secondary	27.0

Source: Adapted from Melanie Hess, "An Overview of Poverty in Ontario," March 1988 (SARC background paper), pp. 6, 14.

mental attention.[35] We are aware and supportive of recent provincial efforts to combat illiteracy, such as the Adult Basic Literacy program announced in September 1986. Given the incidence of illiteracy among recipients and the extent to which it serves as a barrier to employment, we believe even more needs to be done.

RECOMMENDATION 103

The provincial government should increase its efforts to combat illiteracy.

The committee was impressed by a literacy program called Beat the Streets, offered by Frontier College in Toronto. This approach, which meets people in their own communities and on their own turf, appears to be successful. In fact, there is evidence that community-based non-institutional approaches to fight illiteracy are likely to be the most successful.[36]

RECOMMENDATION 104

Funding for remedial literacy programs aimed at adults should be channeled primarily through community-based, voluntary organizations.

Although we are strongly supportive of efforts to increase the level of literacy of social assistance recipients, we are not advocating separate literacy programs aimed only at social assistance recipients. This approach runs counter to our overall objective of integrating recipients into the mainstream of society.

RECOMMENDATION 105

Literacy courses for social assistance recipients should be provided by way of general literacy programs available to all members of the public.

The importance of literacy programs as a vehicle to help recipients become more self-reliant cannot be underestimated. We were struck by the message contained in a background paper we commissioned on the range of educational and skills training programs available to help recipients enter the labour force. We had expected that problems of access, funding, and co-ordination would be the primary problem areas, but the consultant concluded that illiteracy was the major problem.[37] We concur in that assessment and believe that increasing the literacy skills of social assistance recipients can increase self-esteem and self-confidence and can improve the chances of their

Voices

Regional Municipality of Durham	*We could assume that a full 84% of our employable caseload, at least those present for this study, were hampered in their search for employment, as well, no doubt, in their daily lives, by limited literacy.*
Recipient	*I used the loan to enable me to become independent and to get off of full Government assistance, which I've accomplished! I strongly feel it could easily be considered forgivable, let alone interest-free. Ironically, it is only by going back onto Social Assistance that I can become eligible for interest relief. We wonder where our tax dollars go?*

obtaining employment and moving from dependence to self-reliance.

Ontario Student Assistance Program (osap)

Literacy programs are vitally important, but there are a large number of social assistance recipients for whom illiteracy is not the problem. In fact, these recipients have the academic qualifications to attend post-secondary institutions but confront other barriers to furthering their education as a means to increased self-reliance. During public hearings, the committee became aware of the significant difficulties facing recipients who wanted to attend post-secondary educational institutions.

The major problem appears to be a lack of co-ordination between the two programs that can offer financial assistance: the social assistance system itself and the Ontario Student Assistance Program (osap). Not only do recipients have to deal with two separate administrative authorities, certain provisions of osap appear to function as a significant disincentive to recipients who would like to further their education. Loan repayments may be so high that only those students who get very high paying jobs can easily meet their obligations, and eligibility rules are drawn up in such a way as to exclude some of those who need the grants the most.[38]

We believe that all social assistance recipients who are qualified should be encouraged and provided with realistic levels of assistance to attend post-secondary educational institutions. The benefits will accrue not only to the individual but to society as a whole. It is generally recognized that earning potential increases with level of education. More significantly, research suggests that those with higher levels of education are likely to be on assistance for shorter periods.[39]

RECOMMENDATION 106

The provision of adequate financial assistance to enable all qualified low-income students, including those receiving social assistance, to attend post-secondary institutions should be vested exclusively with the Ministry of Colleges and Universities and provided through OSAP.

The practical implication of this recommendation is that social assistance recipients who attend post-secondary institutions full-time would leave the social assistance rolls. Their financial needs, like those of other low-income students, would be met in full by OSAP. We believe this measure is the most appropriate way to reduce the current barriers to post-secondary education.

This recommendation is also consistent with our goal of ensuring, to the greatest extent possible, that the needs of social assistance recipients are met by those mainstream ministries and programs serving the public as a whole. Such measures will improve the chances for recipients to participate and integrate into the community. We are aware that the transfer of responsibility from the Ministry of Community and Social Services to OSAP will not be without its difficulties. A background paper prepared for the committee identified an overall strategy to implement the transfer.[40]

The world of education and the world of work should not be seen as separate spheres. Rather they should be seen as different stages along a continuum. We believe that a variety of educational initiatives can better enable people to move along the continuum and to make the transition into the labour force. Several initiatives may provide the best transition into the labour force by preventing some people from ever needing social assistance.

Early Childhood Education

Remedial efforts to combat adult illiteracy are essential, but another approach to illiteracy is to prevent it in the first instance. We believe that prevention may be most successful when literacy programs are concentrated at the primary levels, and we were encouraged to see this acknowledged in the April 1987 Throne Speech.[41] We also support the decision of the government to commit up to $170 million to hire 4,000 new teachers in grades 1 and 2. Although this is not a literacy measure per se, we believe that any attempt to lower the pupil-teacher ratio in lower grades will have educational benefits.

The importance of good educational programs at primary levels has been recognized for some time. In fact, it led to the development of Head Start programs, which proliferated during the mid-1960s in the United States. Head Start programs were based on the assumption that an enriched learning environment provided to children from disadvantaged families at a relatively early age could increase later educational success and prevent anti-social behaviour. Initial evaluations of such programs were generally negative, but recent evaluations of revised Head Start programs are more promising. Some studies have shown that a control group of disadvantaged students who received enriched educational programs performed better scholastically and emotionally in later life.[42]

Although the Head Start programs may have been beneficial, the committee is concerned about the potential for stigmatization of any program provided only to those receiving social assistance. Such an approach may thwart our objective of integrating recipients into the mainstream life of the community. If there are benefits resulting from early enriched learning, then we believe all children should have access to such programs.

RECOMMENDATION 107

The province and school boards should consider the gradual expansion of voluntary public pre-school educational programs.

High School Completion

Ontario's former Youth Commissioner, Ken Dryden, stated in his 1986 report that his greatest shock as commissioner came when he learned the extent of the high school dropout problem.[43] Estimates vary, but the data suggest that the rate of dropping out from high school in Ontario ranges between 30% and 40%.[44] In other words, approximately one of every three students who enter Grade 9 drops out before completing Grade 12.

Given the correlation between low educational levels and unemployment and poverty, the dropout problem is a serious one. The provincial government recognized this by commissioning George Radwanski to undertake a study, which he submitted in February 1988. The report made a variety of recommendations that we trust will be given serious consideration.[45]

Allowing high school students greater flexibility in mixing work with studies is one measure we have considered. We strongly support a new initiative operating under the auspices of the Futures program, which enables unemployed young people to go back to school for half a day and work for the other half. The program provides eligible students with $100 a week for attending school to supplement the minimum wage they receive for part-time work. The only problem with this program is that, in order to be eligible, students have to have dropped out of school already. We believe the emphasis should be placed on providing selected students with work experience *before* they drop out of high school. These co-operative education programs exist, but their full potential has yet to be realized.

Research in the U.S. suggests that on-the-job training programs were among the most successful approaches in helping young people receiving social assistance to enter and remain in the labour force.[46] It seems reasonable to suggest that enabling some high school students to mix their studies with on-the-job work experience and training may keep them in school longer and ease their transition into the labour force.

RECOMMENDATION 108

The province and school boards, in conjunction with business and labour, should initiate an expansion of co-operative education programs for students in senior secondary schools.

The expansion of co-operative education programs will entail closer ties between the school system and employers and unions. The benefits, however, may be worth the efforts. Such an approach may encourage at least partial contact with the formal educational system for students who would otherwise drop out and sever all ties. If a program enables students to receive part-time wages, it should prove especially beneficial to students from low-income families who are expected to contribute to the family financially and who would otherwise have to drop out to do so. Finally, co-operative education programs may better serve the needs of employers, who have often been critical of the school system for its failure to provide students with marketable skills.

Providing work experience may encourage some high school students to remain in school. Providing child care may have the same effect on another group: adolescent mothers. Adolescent pregnancies are a fact of modern life and carry less of a stigma than they did in the past. In 1980, 89% of unwed mothers, the vast majority of them adolescent, kept their children rather than giving them up for adoption; only 30% kept their babies in 1969.[47]

One of the leading experts on the U.S. welfare system has identified young, never-married women with young children as the most likely candidates for long-term welfare dependence.[48] On the other hand, this same group is among the most responsive to intervention. Comprehensive programs in the U.S. aimed at pregnant and parenting adolescents have resulted not only in reduced probability of future long-term welfare dependence, but also in lower infant mortality, higher birth weights, fewer repeat pregnancies, and lower dropout rates.[49] Later in this chapter we will describe how services to this group should be expanded. Child care, however, is a minimum requirement.

RECOMMENDATION 109

The province and boards of education should expand the provision of in-school child care programs to encourage and enable adolescent mothers to complete their secondary education.

Some secondary schools already provide in-school child care for their students, but this approach has not been given the attention it may warrant. We had difficulty finding out the extent to which such programs currently exist. Basic data are simply non-existent.

We are not suggesting that every secondary school should have its own child care facilities, but we believe the need and potential benefits are much greater than currently recognized. Providing child care facilities in selected secondary schools may enable more adolescent mothers to continue their education. There is no evidence that in-school child care actually encourages young women to become pregnant. Such programs may also be used as a basis for providing related services, like family planning, post-natal care, and other assistance for pregnant and parenting adolescents. We are convinced that focusing attention on adolescent mothers and their children may prove to be one of the most significant measures the government could initiate to prevent long-term reliance upon social assistance.

In-school child care facilities and more co-operative education programs are two routes the government should consider as means of meeting the needs of students who would otherwise drop out. If such approaches serve to increase the educational skills of those students, we believe their transition to the world of work will be that much smoother.

School-to-Work Transition

Even for students who complete their secondary education, there is no automatic access to the labour force. For many students, the move from the educational system to the labour force is an abrupt and rough one. In our view, the difficulty of transition is compounded by a division of jurisdictional responsibility. With the province having responsibility for education and the federal government, primary responsibility for employment, the co-operation between the two systems is haphazard at best.

The barriers confronting young people who are entering the labour force have been compounded by high rates of youth unemployment, which typically exceed unemployment rates for adults. In fact, the ratio of youth to adult unemployment rose from

1.8 in the early 1950s to 2.1 in the mid-1960s to 2.5 in 1976/77. By 1983, it had fallen back to a 2.1 ratio.[50] The Macdonald Commission predicted that, as the population ages, the long-term employment prospects for youth would be positive. However, the mid-term prospects are much less favourable.

Although we believe that on-the-job work experience and training is probably the best way to help students ease into the labour force, this option is unlikely to be available for all who want it and could benefit from it. Other alternatives are available.

RECOMMENDATION 110

Ontario should give serious consideration to initiating a full-time, voluntary program of community service work for youth.

Several community service programs for young people have been developed in Canada in the past. Examples include the Opportunities for Youth (OFY) program, Katimavik, and Canada World Youth. Each of these programs has had its share of criticism. Although we are not necessarily suggesting them as models, nor do we believe that the concept of community service work for youth should be automatically discounted because of the perceived shortcomings of previous approaches.

In our view a community service option would serve as a useful and practical bridge between school and work for some young people. It could function as a form of pre-employment program, which, by exposing young people to a work-like setting, could develop more positive work attitudes that may make it easier to move into regular paid employment. A community service work program may also increase the level of maturity, personal responsibility, and self-esteem of young people by providing them with the opportunity of performing constructive tasks beneficial to the community.

The specific nature of a community service program is best developed in consultation with youth groups. Former Youth Commissioner Dryden identified approaches in other countries that may be instructive.[51] Community service programs are not going to resolve all the problems young people have in moving from the educational system to the paid labour force, but we believe they are an alternative that will benefit many young people and therefore they warrant serious consideration.

Employment Programs

Education programs are important in and of themselves, but they are not primarily intended to facilitate access to the labour market. There are, however, a wide variety of programs specifically designed to help people enter or re-enter the labour force. Other services are often required to help people maintain employment. Some examples of these programs are provided below.

TRAINING AND PLACEMENT

Perhaps the best known of all the training and job placement programs are those provided by the federal government through the offices of the Canada Employment Centres. Access to these programs is available to all Canadians, including those receiving social assistance. The current constellation of services provided by the federal government is called the Canadian Jobs Strategy (CJS) program. It consists of a variety of approaches to help unemployed people gain access to the labour market.

We support the need for federal training and placement services, but we note and share the concerns expressed to us about the CJS program. In particular, we heard criticisms about continuing cutbacks in the CJS budget. Complex administrative procedures, rigid time frames for eligibility, and limited duration of programs were also identified as problems that discouraged some people from participating. There was a sense that these shortcomings limited the potential of CJS to assist all of its potential clients, but especially social assistance recipients.

Although the federal government has the primary jurisdictional responsibility for employment, the province also plays a significant role, especially in the area of training. The provincial role was manifest in the establishment of a separate Ministry of Skills Development (MSD) in 1985.

One of that ministry's best known programs is called Futures. Intended to assist hard-to-employ young people ages 16 to 24, Futures was initiated in November 1985 and consolidated six existing youth programs. The program provides a variety of services designed to help participants find and keep a job. Services include pre-employment preparation, employment counselling, work placement with on-the-job training, and support for educational training.

The pre-employment program provides those who are not job-ready with counselling, social and job search skills, academic upgrading, and vocational skills. The training lasts up to 16 weeks and provides participants with a stipend of $100 a week. The work placement option provides up to 16 weeks of job experience and training at the provincial minimum wage. Other Futures services include the part-time work/school option already described. Since the program began, 75,000 young people and 30,000 employers have participated in Futures. Almost 90% of the employers are small businesses with fewer than 50 employees. They are primarily involved in the service, retail, and manufacturing sectors. The Futures program is delivered through community colleges and community-based Youth Employment Counselling Centres. It is anticipated that 48,500 young people will have participated in Futures in 1987/88, at an estimated cost of $140 million.

While the Futures program appears to have been successful in many ways, it has not been without its critics. Although it is designed to help young people with little work experience and few work-related skills, there is some concern that the program is not benefiting the most severely disadvantaged. Critics wonder why, for example, the number of participants who are social assistance recipients is so low. Although no precise figures are kept, the ministry estimates that approximately 12% of participants are recipients.

Some of the program limitations of Futures are also construed as evidence that the most disadvantaged youth are not being adequately served. For example, 16 weeks of work placement was not considered long enough for the most seriously disadvantaged. Finally, a number of people are critical of the fact that the majority of Futures programs are delivered by community colleges. They believe an institutional setting is likely to be intimidating, especially for those with a record of school failure.

A number of changes have been made recently by MSD to address some of these limitations. In July 1987, for example, the ministry announced that an additional 10 weeks would be added to the 16-week work placement if employers offered more intensive training. And eligibility requirements were changed from the previous limitation – 12 or more consecutive weeks of unemployment – to a requirement that unemployment had to amount to a total of 16 weeks in the previous year. This measure will enable an additional 3,000 people to participate in the program.

The committee is encouraged by these recent changes and takes them as indications that MSD is responding to some of the concerns expressed about Futures. We believe Futures is a useful and important program. We also approve of an approach that integrates social assistance recipients into programs available to all young people. Young social assistance recipients are likely to have specialized needs, however, and we believe there is room for improvement so that Futures better meets the needs of that group, in particular. For example, more spaces could be made available through Youth Employment Counselling Centres, which young recipients may find less intimidating than the college setting.

Initiatives like Futures and the Canadian Jobs Strategy program may be of benefit but are not aimed primarily at social assistance recipients. There are programs specifically designed to help social assistance recipients become employed, however.

As the link between social assistance and employment has become better understood, measures to help recipients move into the labour force have been increased. This is the case in Ontario and many other provinces, and it is certainly true in the United States, where "welfare reform" has become an important topic on the public policy agenda. The experiences of states like California, with its Greater Avenues for Independence (GAIN) program, and Massachusetts, with its Employment and Training Choices (ET Choices) program, have been instructive as the committee considered reforms to Ontario's social assistance system.[52]

WORKFARE

One of the approaches used by some states is known as "workfare". The word is an abbreviation of the term "working for your welfare". It is an approach that requires recipients to work as a condition of receiving welfare benefits. Failure to undertake assigned work activities results in disentitlement to benefits.

Workfare programs, in their pure form, are generally unknown in Canada. In large part, this is because the Canada Assistance Plan (CAP) does not allow federal cost-sharing for workfare. But a number of American states have been experimenting for several years with a variety of employment programs, including workfare. Fortunately, these programs were the subject of intensive longer-term evaluations, and the results are starting to come in.[53]

Perhaps the most interesting finding is that workfare programs, in their purest form, are much less prevalent than many people assume. Although many states do attach certain conditions to the receipt of benefits for some groups of recipients, a requirement to work for benefits is relatively rare. Far more common is a requirement that recipients participate in job search programs, which teach people how to seek employment.[54] One explanation for the limited development of workfare in the U.S. may be restricted funding. Researchers have noted, however, that when increased funds for employment programs are made available, states usually choose to expand the other options available to recipients, like job search programs, rather than imposing a longer workfare requirement. The failure of pure workfare programs to take hold may simply reflect the results of evaluations of workfare. In short, workfare did not appear to do what its strongest proponents suggested it would do. For example, it did not result in participants developing new skills, and it did not deter people from applying for welfare in the first instance.[55]

On the basis of the American evidence and additional information received during our hearings, we see no need for programs that compel recipients to work in order to receive benefits, and we see no advantages to them. In fact, we believe such an approach could very well have negative consequences. Workfare carries the risk of perpetuating the myth that people receiving assistance are lazy and must be forced to work. As one American researcher concluded, "These workfare programs did not create the work ethic; they found it."[56]

RECOMMENDATION 111

The requirement to "work for welfare" should be prohibited.

Although the term workfare was initially restricted to programs requiring recipients to work for their welfare, it is now increasingly used to refer to a broad range of approaches designed to help recipients enter the labour force. Although we are opposed to basing entitlement to social assistance on a requirement to work, we strongly support programs to help recipients get employment. Ontario has had extensive experience in providing employment programs, especially for sole-support parents and young people; the major programs will be described below. Programs for people with disabilities will be discussed later in this chapter.

Employment Opportunities Program (EOP)

Many of the employment programs provided to sole-support parents and young recipients or potential recipients of assistance 16 to 24 years old are delivered under the auspices of the Employment Opportunities Program (EOP) of the Ministry of Community and Social Services. EOP consists of eight separate programs of employment preparation services for recipients. Each program is delivered in a variety of locations across the province. Although EOP was not formally announced by the provincial treasurer until 1984, one of its programs was already under way. Employment Support Initiatives (ESI), perhaps the best known of the eight components, was initiated in nine sites between November 1982 and May 1983.

ESI and the other components of EOP provide services that could include actual work experience; subsidized job placement, child care, and employment-related expenses; job search assistance and referral; academic upgrading; life skills training; and personal counselling. EOP had an annual budget of approximately $40 million in 1987 and served about 15,000 people. It was considered to be a pilot project until March 1988.

The ministry has recently undertaken a comprehensive evaluation of EOP. Evaluation of some of the individual EOP programs included personal interviews with people who had participated in the programs and with a comparison group who had not participated. Initial findings from the survey were shared with committee members in draft form in the fall of 1987. Although the results for the various EOP components were not uniformly positive, a number of specific programs were found to be of particular benefit to certain groups of recipients. As a whole, EOP appears to have been beneficial, and its success will undoubtedly increase as improvements are made to the individual programs. These findings, combined with positive evaluations from similar programs in the United States, lead us to strongly support EOP.

RECOMMENDATION 112

Funding for the Employment Opportunities Program should be continued.

The evaluation results from one of the EOP programs, Employment Support Initiatives (ESI), are particularly instructive. ESI is specifically targeted towards single parents receiving FBA and GWA. The results reported below are from interviews conducted towards the end of fiscal year 1986/87 with those who had participated in the ESI program in fiscal 1985/86.

At the time of the interviews, those who had participated in ESI were less likely to be receiving assistance than the comparison group, 66% as compared with 82%. They were more likely to be attending school – 32% as compared with 22% – and they had been receiving assistance for less time in 1986 than the comparison group. Interestingly, the ESI participants were not more likely to be employed than the comparison group; but those who were employed were more likely to be working full-time rather than part-time. Of the ESI group, 22% were working full-time and only 14% part-time; 13% of the comparison group were working full-time and 26% part-time.

Other differences were found. For example, ESI participants working part-time had higher average hourly and weekly wages than the comparison group, although no such distinction was found for those working full-time. Finally, ESI participants were more likely than the comparison group to be in clerical positions in social service agencies and less likely to be in restaurant, retail, and cleaning jobs.

The authors of the evaluation determined that the following were primary factors associated with full-time employment for those who had participated in ESI: they had higher education levels and fewer children at home; unemployment in their areas was lower; the programs they had taken part in provided more services, including client assessments.

Evaluations of the individual EOP programs targeted towards young people were not so positive, however. The youth-related programs had marginal effects or none at all on participants. The comparison group and the participants registered roughly the same rate of employment at the time of the interview, perceived similar barriers to employment, held the same types of jobs with the same degree of satisfaction, participated in schooling to the same extent, and so forth.

Evaluating Employment Programs

The initial results from the evaluation of EOP are consistent with evaluations that have been done of similar programs in the United States.[57] Generally speaking, the results indicate that women, including sole-support mothers, appear to benefit most from work training and preparation programs. Some programs aimed at young social assistance recipients have worked, but many of the traditional approaches, like high school equivalency courses and institutional vocational training, have had only limited success. Programs for adult men appear to have been least effective.

The research was enlightening for the committee, as much for what it did not tell as for what it did tell. It is clear that evaluation research in this field is in its infancy. Although the EOP evaluation and the recent U.S. results are useful, there exists only a rudimentary understanding of the degree of effectiveness of different approaches to helping recipients become employed. An approach that may succeed with one group of recipients may not work with another. If we are to develop effective programs to help recipients achieve self-reliance through paid employment, we must have a better understanding of what works with which group.

RECOMMENDATION 113

High priority should be assigned to the evaluation of all employment and training programs utilized by social assistance recipients in order to determine their effectiveness in helping participants move into the labour force.

We believe further research should build on the contribution to our understanding of this subject already provided by the EOP evaluation. It should not be restricted to EOP, however. Thorough evaluation should be built into programs like Futures, for example, which can have an important effect on young recipients. In our view, the present evaluative procedures used by the Futures program are inadequate. Improved evaluation of the range of employment-oriented programs for recipients will help to ensure that taxpayers receive maximum value for their dollars.

Delivering Employment Programs

An important principle that has guided our deliberations is that, whenever possible, services or programs provided to social assistance recipients should be delivered by the ministry responsible for delivering such programs to the population as a whole.

RECOMMENDATION 114

A comprehensive training strategy should be developed and implemented that would see all provincial training and employment programs delivered under the auspices of a single ministry.

The implication of this recommendation is that recipients on social assistance would participate in the same training, retraining, job preparation, or work experience programs provided to the population as a whole. Such programs would have to be sensitive to the particular needs of social assistance recipients, but this need not be accomplished by providing programs that are restricted to recipients.

In our view, EOP has demonstrated its benefits and has matured to the point where it can be transferred to another ministry. The most likely candidate is the Ministry of Skills Development (MSD), although a significant reorientation of that ministry's mandate would be necessary before any transfer is contemplated. Ultimately, what we are suggesting will entail a major shift in the government's philosophy. Once a commitment has been secured to embrace this new approach of serving recipients through mainstream agencies, the specific operational details can be worked out relatively easily.

INTERGOVERNMENTAL CO-OPERATION

Because jurisdictional responsibility for training, employment, and social assistance is split between the provincial and federal governments, co-ordination and co-operation is essential. An example of the benefits of co-operation is to be found in a recent provincial-federal initiative known as the "four-cornered" agreement.

The recession of the early 1980s resulted in a significant increase in the rate of unemployment and in the number of social assistance recipients considered to be employable. These increases precipitated an effort on the part of both senior levels of government to better co-ordinate the different federal and provincial ministries involved with job creation, training, and social assistance. In July 1987 this effort culminated in the signing of an "employability agreement" between Ontario and the federal government, which committed $100 million over a two-year period to support employment and training measures for social assistance recipients. The four-cornered agreement is so named because it was signed by ministers representing the federal departments of Health and Welfare and Employment and Immigration and the provincial ministries of Skills Development and Community and Social Services.

The agreement reallocates to employment and training programs money that would otherwise have been spent by both levels of government on social assistance payments via the Canada Assistance Plan (CAP). It is anticipated that approximately 20,000 recipients in Ontario will be helped to prepare for and obtain employment. Their participation will be voluntary. In practice, the agreement will result in a form of targeting for social assistance recipients in several of the federal programs delivered under the auspices of the Canadian Jobs Strategy. For example, it is estimated that about 27% of participants in the programs Job Development and Re-entry will be recipients of social assistance. Job Development is aimed at the long-term unemployed; Re-entry is geared towards women seeking to return to the labour force. These measures will better ensure that recipients have fair and reasonable access to federal employment and training programs.

At the provincial level, the agreement will result in an annual allocation to the Futures program of $15 million, which will ensure that 5,000 recipients participate annually. Efforts will also be made to strengthen the links between the provincial ministries

(MSD and MCSS) and the municipalities, in order to improve the referral mechanisms to community colleges and Youth Employment Counselling Centres.

The Ministry of Community and Social Services will also see a number of its programs expanded as a result of the four-cornered agreement. In particular, two components of the Employment Opportunities Program – Job Development and the Youth Employment Program (YEP) – will be enhanced to provide better assessment, referral, and follow-up. Another part of the Employment Opportunities Program, the Social Services Employment Program (SSEP), will be expanded. A new program for recipients 25 years and older will be set up in response to municipal requests. The Municipal Employment Program will offer counselling, assessment, and referral services and employment-related expenses, like ESI and YEP. Finally, some of the money will be allocated by the ministry to initiate community economic development programs.

The committee is greatly encouraged by the degree of collaboration and co-operation that resulted in the signing of the four-cornered agreement. In our view, this level of co-operation is not only important but essential if we are to improve the chances for social assistance recipients to enter the paid labour force. It also suggests that many improvements can result simply from reallocating existing expenditures, so that we "spend smarter". An added advantage of the four-cornered agreement is its clear preference for the delivery of services to social assistance recipients via mainstream agencies. This is an approach we fully support.

ENTREPRENEURSHIP

Efforts to help recipients achieve self-reliance through employment should entail a mix of traditional approaches with innovative and creative strategies. For example, we believe that positive results may come from fostering and supporting the entrepreneurial spirit of recipients who may be interested in developing small businesses.

In Chapter 4, we note that those involved in small businesses are effectively excluded by the social assistance system. The self-employed are deemed ineligible, no matter what their financial circumstances; asset limits force depletion of business assets before assistance is given. Providing support to those with entrepreneurial potential should extend beyond the elimination of these barriers, however. There are promising developments in Ontario and elsewhere that represent a more positive approach to recipients seeking small business opportunities.

In both Great Britain and France, some success has been achieved by providing ongoing unemployment benefits or lump-sum payments to persons wishing to start their own businesses.[58] In Alberta, planning is under way to develop a program allowing recipients to "roll forward" social assistance payments up to a maximum, in order to provide capital for the move into self-employment. In Ontario, the Calmeadow Foundation has begun a program on the Wikwemikong Reserve on Manitoulin Island to give those now dependent upon social assistance enough credit to support small-scale entrepreneurial activities. The Ontario Social Development Council is sponsoring a pilot project in three Ontario communities that provides training in small business development to disadvantaged women.

All these projects work from the sensible assumption that an initial investment of funds, training, and support to those with entrepreneurial potential can be a highly effective and efficient use of resources. One author has described the potential for this approach:

> When setting up low income people to start and run their own business, their opportunity costs are low. A business that yields a low amount of money profit may be deemed a failure for a middle income or rich person. That same business may be considered adequate (and hence successful) to a low income person. It is adequate if it enhances survival, yields an income greater than in other activities, supplements income from other sources, meshes better with one's lifestyle than other activities, or acts as a temporary source of income until something better comes along. Low income people are, therefore, perhaps more likely to succeed at a small enterprise because their criteria for success are likely to be more modest.[59]

Creative and novel approaches like this may very well increase the prospects of self-reliance for some recipients and reduce their need for social assistance.

RECOMMENDATION 115

Encouragement and assistance should be provided to recipients interested in establishing small business ventures.

Employment Supports

There is a growing recognition that training, employment preparation, and job placement programs may not be sufficient to ensure that the transition from assistance to employment is successful. Assistance is often needed to help recipients get a job, but it is also required to enable many people to keep a job.

A successful move into the labour force will be most difficult for recipients who have no prior work experience. Providing assistance on a temporary basis after placement in a job may be necessary to help recipients with no previous experience become "socialized" to the world of work. One approach that seems helpful is known as "supported employment". Programs of supported employment provide a buddy system, matching new, inexperienced employees with seasoned workers. The new workers are provided with on-the-job work experience with very close personal supervision and support. Gradually, the new employees' responsibility increases and the supervision and support provided by experienced workers decreases.

Although most supported employment programs have had people with disabilities as their primary clientele, there is no reason to believe that such an approach would not work with other recipients. In fact, recent American studies have indicated that supported employment programs have also been effective for women with histories of long-term welfare dependence.[60]

A number of other strategies can be adopted to enable people to stay in the labour force rather than turning or returning to social assistance. Some of these have been the subject of earlier recommendations in this chapter. For example, the provision of more flexible work-time options could constitute a very real support to employment by better enabling employees to juggle their family and work obligations. But one support or service is an especially important determinant not only of whether recipients will succeed in keeping a job but also of whether they get into the labour force in the first place. For women, in particular, the most important variable is child care.

Child Care

Time and time again during our hearings we heard from sole-support parents who expressed their desire to be self-sufficient. Many want to work, but they identify the lack of adequate, affordable, and flexible child care as their greatest impediment. Not only is lack of child care a barrier to the labour market, it precludes access to a range of training and educational programs that could improve employment prospects for sole-support parents who receive social assistance.

The importance of child care to the successful transition from dependence to self-reliance has been clearly established in the United States. Child care is increasingly seen as an integral part of American programs designed to help welfare recipients enter the labour force. One of the most successful, Employment and Training Choices (ET Choices) in Massachusetts, has the provision of child care services built into the program. Massachusetts authorities consider the lack of child care the greatest barrier to participation in the labour force for sole-support parents.[61] Child care is also an important element of Ontario's Employment Opportunities Program (EOP).

The evidence we have heard and read leads us to the same conclusion. Lack of child care is the greatest barrier to self-reliance for sole-support parents receiving social assistance. It follows, therefore, that if we are to reduce those barriers, child care must be available.

RECOMMENDATION 116

Sole-support parents receiving social assistance who participate in activities designed to increase their capacity for self-reliance should be guaranteed access to subsidized child care.

In effect, access to child care will be provided through the opportunity planner who, in developing an individual plan, can assess whether child care is necessary. The provision of child care would be mandatory, in other words, for sole-support parents receiving assistance whose participation in part-time employment or in training programs would otherwise be impossible.

Today there is a serious disparity between the number of child care spaces and the number of sole-support parents who need and want child care. This becomes more obvious if one considers the composition of the social assistance and low-income population. In 1987, the average number of people receiving assistance in Ontario was approximately 517,000, including 85,000 sole-support parents and 195,000 dependent children. The number of children living in poor families was 367,400 as of 1984, the last year for which we have detailed statistics. The total demand for child care far exceeds the supply. In 1987, the province estimated that 100,000 children were enrolled in licensed child care programs, only about 20% of the children whose parents work. An estimated 44,000 of those children had access to subsidized spaces.[62]

The problem is further compounded by the fact that subsidized care is not equally available in all parts of the province, largely because municipalities pay 20% of the cost of subsidized child care on a discretionary basis, and the eligibility criteria vary substantially from one municipality to the next. For example, students eligible in some municipalities would not be eligible in others. Some municipalities choose not to cost-share, to administer the program only in certain parts of a county, or not to administer it at all. These variations result in tremendous inequalities across Ontario in access to subsidized child care.

Fortunately, the subject of child care has become a major public policy issue during the last few years. Public interest has led to significant initiatives by both federal and provincial governments. In June 1987, the Ministry of Community and Social Services released a major policy paper entitled *New Directions for Child Care*. In December 1987, the federal government announced its national strategy on child care.

Beginning with an additional expenditure of $26 million in fiscal 1987/88, provincial spending on child care will increase to a total of $325 million by 1990. Approximately one-third of the new funding will be directed towards increasing the number of subsidized spaces. It is expected that by 1990 an additional 13,000 children will have access to subsidized spaces, bringing the total number of subsidized children to 57,000. As several children may share one subsidized space, however, it is important to note that the anticipated number of subsidized spaces will be something less than 57,000.

The specific improvements announced by the province have been set in the context of a new philosophical approach towards child care. Rather than being seen as a welfare service, subsidized child care will evolve into a basic community service. As part of this transition, the existing needs test used to determine eligibility for subsidized child care will be replaced by an income test. As a result, more lower-middle-income families should now qualify for subsidized child care.

The committee supports the general thrust of these new initiatives. In particular, we welcome the evolution of child care as a service needed by the community as a whole and not simply one needed by those receiving social assistance. And while we welcome the allocation of new money for child care, we also realize that a number of uncertainties remain about the result of these initiatives. We are concerned, in particular, about the extent to which the increased provision of child care will actually benefit social assistance recipients.

A potential problem exists because of the shift in cost-sharing for child care from the Canada Assistance Plan (CAP), which provides funding on an open-ended basis, to a new Canadian Child Care Act, which will impose a ceiling on funding. This may limit the number of child care spaces for which a subsidy is available. An additional problem may arise because of the municipal involvement in child care, which has been subject to a high degree of discretion. The provision of child care is so important, however, that we believe it must be mandatory and not subject to municipal discretion. This change could entail a new cost-sharing agreement between the provincial and municipal governments. We understand this issue is likely to be addressed by the Provincial-Municipal Social Services Review, a joint provincial-municipal committee appointed by the Minister of Community and Social Services to review social program roles and funding arrangements between the province and the municipalities.

A number of other important questions remain to be answered. It is not known, for example, how many new subsidized spaces will actually result from the increased child care allocations. Nor do we know how the government intends to apportion the subsidized spaces between low-income working families and those receiving social assistance. We hope these questions will start to be answered in 1988 during a proposed public consultation on design options for an income test. The information gathered should provide better data than are currently available on the utilization of subsidies.

The consultation may also help to determine the appropriate allocation of child care spaces between those who need a subsidy and those who do not. For those who need subsidies, the information gathered may suggest the necessary balance between working poor families and those receiving assistance. Whatever the specific formulas and cost-sharing agreements developed, however, we believe our recommendations should provide the underlying principle: enough subsidized spaces must be provided to guarantee that child care will be available for all sole-support parents receiving social assistance who need it in order to participate in a structured activity helping them to achieve self-reliance.

Employment Services and Supports for People with Disabilities

A separate discussion of services and supports for disabled people is required for two reasons. First, the kinds of services required by people with disabilities are often very different from those needed by other recipients. Second, the provision of support services is even more crucial to the success of employment programs for people with disabilities than for others receiving social assistance. It should be noted, however, that many of the support services discussed here are required by disabled people whether or not they are in the labour force. Such services are often essential supports to employment, but their purpose is not limited to that end.

For well over 35 years, the Ministry of Community and Social Services has provided a range of programs for people with disabilities, usually referred to as vocational rehabilitation programs. Two of the more significant programs are Vocational Rehabilitation Services (VRS) and community-based workshops.

Vocational Rehabilitation Services (VRS)

The VRS program offers assistance to people with disabilities who have vocational potential and who are not already employed. Although its services are available to all disabled people, approximately half of VRS clients are social assistance recipients. That number represents a very small proportion of the total number of recipients with disabilities, however. In essence, VRS is the main point of referral to a range of other employment programs and supports for people with disabilities. Through individualized case management, VRS links clients to a variety of services that it secures or purchases from both public and private organizations. The core services are assessment, training, and placement. They are supplemented by a range of support services designed to accommodate functional losses resulting from disabilities.

These examples illustrate the range of services currently available through VRS:

- an evaluation by an occupational therapist to determine the ability to perform particular job tasks
- a psychological assessment to determine the most feasible job goal
- a six-week workshop assessment to evaluate work-related behaviour
- a 12-month employer-based training program with attendant care services provided on the job
- specialized technology to fulfil the requirements of a particular employment position
- architectural modifications to make a worksite accessible

In Chapter 5, we express our concern about the underutilization of the existing VRS program by recipients with disabilities. We believe this results from the use of different methods of determining disability and the lack of financial incentives to pursue training and employment. These problems should be resolved by some of the short-term recommendations contained in this chapter and Chapter 4. These recommendations, in turn, are likely to increase the number of social assistance recipients who will turn to VRS for help in the short term. This has led us to recommend the establishment of a formal linkage between VRS and the social assistance system as an immediate short-term measure to ensure that employment assessment and training opportunities are readily available to disabled recipients.

Workshops

Most recipients with disabilities who have access to employment training and experience receive it through provincially funded workshops. In 1987, workshops served approximately 13,000 clients with disabilities, most of whom were social assistance recipients.

Workshops evolved over time as the primary vehicle to provide employment and training for disabled recipients because they could offer the necessary levels of support and supervision. They have come under increasing criticism from disabled people themselves, however, in part because they isolate and segregate people with disabilities from the rest of the labour force. Training is also less effective since it is offered in artificial settings. In addition, many workshop participants feel exploited because of low or non-existent wages.

There is growing evidence that employment experience and training programs for people with disabilities can and should be transferred from workshops to actual employment settings. Earlier in this chapter we referred to supported employment programs, which are indicative of this trend. Supported employment provides specialized on-the-job assistance to new employees who perform below competitive standards. The employee is assigned a "job coach" who provides on-the-job training and support. Initially, the coach may even perform the employee's tasks until the required work habits or skills are developed. The job coach's involvement decreases as the employee's ability to perform the job tasks increases. Most existing supported employment programs are aimed at developmentally handicapped people, but studies have demonstrated that those with other handicaps that are severe can work in regular work environments if supported employment programs are offered.[63]

An increasing number of programs that use primarily employer-based settings are developing in both Canada and the United States. About 36 such programs serving people with all types of disabilities were operating in Ontario in 1987. This is itself evidence that the approach has proven successful.[64] Although the use of employer-based sites is still relatively new, there is some empirical evidence of the benefits resulting from an overall employer-based approach to job preparation and training for people with disabilities. For example, a 1986 survey of employers in Virginia who partici-

Voices

Federation of Women Teachers

We must intervene energetically to assist women who want and need to hold paid employment to receive training for jobs, and to encourage girls in school to prepare themselves for work in the paid labour force.

Scarborough Day Care Committee

Day care needs for special groups, such as new Canadians are even more critical. Immigrant women from these families are often forced to accept low paying jobs requiring shift-work or flexible hours of work. At the present time, there are no day care centres to accommodate these special needs.

BOOST

The traditional sheltered workshop which many disabled are delegated to, does not meet the needs of the client and results in exploitation of the workers and unfair payroll schemes.

pated in such programs found that more than 75% of the employers were satisfied with the work performance of their workers with disabilities; 87% said they would use supported employment services or job coach services again; and 67% reported lower turnover among their employees with disabilities. An earlier report from the same researchers found that the job retention ratio was higher for those people with disabilities who had community-based training prior to job placement, compared with those who received only segregated training.[65]

The Ministry of Community and Social Services has accepted the validity of an employer-based approach by initiating Project Opportunity. This project involves a series of initiatives to provide as many integrated employment opportunities as possible for disabled people by establishing supported employment programs, converting sheltered workshops to small businesses, and establishing an equitable wage policy for non-competitive employees, to provide the equivalent of minimum wage by augmenting earnings with social assistance. The plan also entails greater use of employment settings for training. The thrust of Project Opportunity, as we understand it, is entirely consistent with our overall objective of integrating disabled social assistance recipients into the day-to-day life of the community. In addition, the wage policy changes it entails are compatible with our long-term recommendations, which would see people with disabilities benefiting from either a new disability income program or income supplementation.

RECOMMENDATION 117

The Ministry of Community and Social Services should move aggressively to implement the initiatives of Project Opportunity, including a wage policy that provides people with disabilities with at least the equivalent of the standard minimum wage.

SUPPORT SERVICES

For some people with disabilities, attaining self-reliance will mean participation in employment. For others, self-reliance will mean independent community living to the fullest extent possible without employment. Either way, achieving self-reliance will require that necessary support services be available.

Necessary support services go beyond what is usually called "rehabilitation". That term denotes a time-limited process that assists people to return to a certain measure of functional ability. The kind of service and support system we envisage is one that enables all people with disabilities to function independently in the community. For some, this will mean regaining a previous level of functioning. For others, it may result in achieving a level of functioning never before attained. Depending upon the need, services may have to be provided on an ongoing basis.

A range of services already exist, of course, for people with disabilities that enable them to be more self-reliant. These include attendant and nursing care, rehabilitation, assistive aids and devices, homemaker services, specialized transportation, communications aids, architectural modifications, life skills programs, and supported residences like group homes or halfway houses. A number of these services function as essential employment supports, but they have a broader objective: to enable all disabled people to live independently in the community, whether they are employed or not.

VRS currently serves as a brokerage through which access to many of these services is provided, but only if they are related to employment. Our recommendations would develop VRS as the primary link to all services and supports required for the broader purpose of independent community living. VRS, in other words, would provide the opportunity planning function for all people with disabilities. As is the case with all other recipients, opportunity planning for disabled people is essentially a brokerage service. The opportunity planners will not provide the services themselves; rather they will help disabled people to identify and obtain the services they need through individualized counselling, information sharing, planning, co-ordinating, support, and follow-up.

Delivering Services and Supports

As stated in Chapter 1, we believe the fundamental objective of social assistance reform should be to enable recipients of social assistance to integrate and participate fully in community life. In order to achieve that objective, support services must be sufficiently available to meet the needs of those who require them. As well, services should be delivered through the mainstream ministries and programs responsible for providing such services to the population as a whole.

Mainstream ministries have made significant progress in delivering services to people with disabilities. For example, the Ministry of Health is increasing the provision of assistive aids and devices. The Ministry of Transportation and Communications provides alternative accessible transportation. And the Ministry of Housing offers assistance to retrofit owned and rental housing so that it is accessible.

Although we acknowledge this progress, we realize there is need for further improvement. The availability of services remains limited, and the delivery system is not as integrated as it could be. Examples of these shortcomings are described below.

Attendant Care This service is provided through the Ministry of Community and Social Services, which appears to be the appropriate mainstream ministry. But there are limited hours of service in limited geographic locations, and attendant care is not available in the workplace. Only 1,000 persons were being served in Ontario in 1987.

Sign Language, Interpreter, and Intervenor Services The Ministry of Community and Social Services provides these services. MCSS may be the appropriate ministry, but the services it provides are limited and they are not available in the workplace.

Assistive Devices The jurisdiction responsible for health care, the Ministry of Health, provides assistive devices. Coverage is being phased in by categories of devices and age of client; the program will be fully implemented by December 31, 1989. However, assistive devices that are specifically related to employment are excluded, and a 25% contribution towards the cost of the devices is required from the client.

Accessible Transportation This service is provided by the Ministry of Transportation and Communications, which is the relevant mainstream ministry. However, there are limited hours of service, services are available in some cities only, and there is no intercity system. For the most part, alternative or parallel systems have been designed, rather than the preferred approach of retrofitting the regular transit system to the greatest possible extent.

Accessible Housing The relevant ministry, the Ministry of Housing, provides funds for accessible housing. However, programs to retrofit owned homes and private rental housing do not assist many disabled recipients or low wage earners. Moreover, the supply of subsidized accessible housing is inadequate.

Architectural Modifications to the Workplace Only the VRS program, for which employed persons are not technically eligible, can provide these modifications. VRS is not a mainstream delivery agent; the Ministry of Labour may be the appropriate jurisdiction for this service.

Drugs and Dental Care These benefits are provided to recipients through the Ministry of Community and Social Services. However, it is not the mainstream ministry concerned with health care; the Ministry of Health is the more appropriate jurisdiction.

If we are to succeed in better integrating disabled recipients into the community as a whole, we must build on the progress made to date in providing them with adequate levels of services that are delivered through mainstream ministries. Where feasible, these services should be delivered through the programs that serve all other persons rather than through parallel or alternative programs.

RECOMMENDATION 118

All relevant government ministries should further develop and expand the delivery of integrated services that would enable people with disabilities to maximize their potential for independent community living, including employment.

If a particular service is so specialized that it cannot be integrated with services provided to the public as a whole, it should at least be integrated with other specialized programs meeting the same need. Attendant care, for example, is delivered mostly through separate programs for elderly people and for disabled people. Although there is one program, the Integrated Homemakers Program, that provides personal support services to both groups, it is a recent initiative and not yet available across the province. Nevertheless, it is a concrete example of an attempt to serve those with a common need through a single program.

As noted earlier, a contribution of 25% is currently required for the Assistive Devices Program of the Ministry of Health. As a short-term measure, we have recommended in Chapter 4 that this contribution be one of the mandatory benefits paid on behalf of social assistance recipients. If a contribution continues to be required, the Ministry of Health itself should provide a subsidy for those unable to contribute.

RECOMMENDATION 119

As long as the Ministry of Health requires a contribution towards the cost of assistive devices, it should provide an income-tested subsidy for those unable to afford the contribution.

As more and more services required by disabled people are provided through mainstream ministries, the VRS program has had less need to purchase these services for its clients; it increasingly serves instead to co-ordinate services provided by mainstream ministries. This approach is used in Quebec by the Office des personnes handicapés, which provides or purchases services only if it is proven that they are not available elsewhere.

RECOMMENDATION 120

VRS should continue to phase out its role as a purchaser of services as services required by disabled people are increasingly provided through mainstream ministries.

The funding of post-secondary programs is one area where VRS has already relinquished its purchase-of-service function. Until 1985, VRS financed all post-secondary programs attended by its clients. Now, disabled persons including VRS clients apply to OSAP, in the Ministry of Colleges and Universities, as do all other post-secondary students in need of financial assistance. We understand that some problems were associated with the transfer of responsibility for financing post-secondary education from VRS to OSAP. These problems were apparently more the result of flawed implementation than of an unsound principle. This experience suggests that mainstream programs will need specialized assistance as they expand their services for disabled people.

RECOMMENDATION 121

The VRS program should provide assistance to mainstream ministries and departments, to enable them to develop or adapt their services to effectively meet the needs of people with disabilities.

Social Services and Supports

We have described a variety of programs and services that play an important role in helping social assistance recipients achieve self-reliance. During our hearings, we saw that there is also another set of services that seem to have little if anything to do with self-reliance. And yet, as we considered the various factors that affect an individual's ability to be self-sufficient, it became clear to us that the whole social service system has a vitally important role. A number of social services can complement other measures designed to increase the capacity of recipients for self-reliance. We received a variety of suggestions about the social service system, which we will forward to the government. Although a review of social services was not part of our mandate and would probably require a separate committee itself, we do want to comment briefly on the link between social services and self-reliance.

The system in place to deliver social services is a vast and complex one. The range of services provided includes meals-on-wheels programs for the elderly, assistance for newly arrived immigrants and refugees, and Big Brother or Big Sister programs for children from single-parent families. They are provided by government, by community-based not-for-profit organizations, and in some cases by private, commercial operations. Whatever the service or delivery agent, however, social services needed by social assistance recipients should be provided by the same agencies that deliver services to the population as a whole.

Rather than attempting to identify all the various social services that might assist recipients to become self-reliant, we will discuss only a few. In particular, we will identify examples of services that we believe can be particularly beneficial to recipients but that may require some modification. Finally, we will describe several specific groups of recipients or potential recipients who we believe could benefit from additional supports and services.

Complementary Services

CREDIT COUNSELLING

Initially designed to help with debt counselling and repayment, the services provided by credit counselling organizations now have a broader mandate. Of particular relevance is the provision of money management skills to enable clients to stretch their dollars farther. It is well understood that money management difficulties exist at all income levels, but the ability to manage money is even more important for people, like those receiving assistance, whose resources are minimal.

We believe that money management training and the other services provided by credit counselling organizations can increase the prospects of self-reliance for many social assistance recipients. Unfortunately, it appears that such services are used primarily by middle-income people. To some extent, this is a result of the fact that fees are increasingly being charged for these services as private companies move into the field; the fees put credit counselling out of reach for many recipients. There are relatively few not-for-profit credit counselling agencies, and their total caseload is small in relation to the number of people who could potentially benefit. We believe the government should give consideration to increasing its support for non-profit agencies providing debt repayment and money management assistance.

FAMILY COUNSELLING

Prospects for self-reliance will be severely reduced if recipients encounter personal problems they cannot resolve. Family counselling services can improve and enhance people's social and psychological functioning. They may enable clients to resolve marital difficulties or child-rearing problems that serve as a barrier to full participation.

Voluntary organizations like Family Service Associations (FSAS) are an important source of counselling for families receiving social assistance. They have often been on the leading edge of developing and delivering innovative programs to meet emerging needs, like the programs offered to both victims and perpetrators of family violence. We were particularly struck by the benefits of mediation services provided by some FSAS. This form of counselling, to help deal with issues like custody or visiting privileges resulting from separation or divorce, is extremely important but is not readily available to families receiving social assistance.

Organizations like Family Service Associations have the potential to provide services that can help families receiving assistance to function better. But there are impediments that appear to limit that potential; most of these barriers seem to be financial. We heard concerns during our hearings, for example, about the formula used by the government to finance counselling services provided by groups like FSAS to families receiving assistance. The ceiling set on the total amount of the subsidy available in most areas does not come near to the actual cost of the service. As a result, the cost of counselling for recipients is subsidized, in effect, by the United Way and fee-paying clients. Many municipalities do not fund family counselling at all, resulting in a disparity in access to and the quality of family counselling for families receiving assistance. When funding is inadequate, many needs are not met. In addition, inadequate funding creates high staff workload, overload, and burnout, which can result in long delays in getting an appointment.

We were struck by the fact that most recipients were referred to organizations like FSAS from health organizations, not from the social assistance system. The explanation offered was that social assistance caseloads are so high that most workers simply did not have the time to make referrals. In Chapter 5, we describe the proposed position of opportunity planner, a staff person whose main task will be to refer recipients to needed services.

Inevitably, referrals to organizations like FSAS will increase. It will be necessary to establish a more appropriate funding formula so that recipients of social assistance have access to family counselling and the agencies delivering such services are fairly compensated.

REMOTE AND RURAL SERVICES

During our hearings, we heard a variety of concerns expressed about the delivery of services in non-urban areas. In Northern Ontario, for example, real difficulties are presented by a small population being spread over a large geographic area. Resources and services are often available only in larger centres. The distance and the cost involved in travelling often represent a major barrier to service for recipients in more remote regions.

Barriers to services do not exist only in the more remote or isolated parts of Ontario, however. We heard about difficulties experienced by people in rural communities within a few hours' drive of large urban centres. They have lesser access to services and often find that services are urban-oriented and less helpful in the rural context. It became clear to us that the social assistance system must be adapted to meet the specialized needs of people in rural communities, and farmers in particular. As a result, we have recommended in Chapter 4 that there be a new income policy that would enable farmers to stabilize their operations while still maintaining eligibility for assistance. In addition, we recommended easing the rules affecting the disposal of assets like farm machinery. The social service system, too, must be adapted to meet the needs of people living in rural communities.

We noted with interest the results of a survey of about 1,000 farm families in Missouri who were in imminent danger of losing their properties.[66] The Missouri survey identified as a major problem that was not being addressed the emotional and psychological consequences of the loss of family farms. The families surveyed said that they needed counselling even more than they needed income maintenance or food stamps. The study also concluded that the greatest barriers to farmers receiving the help they needed were not geographical or logistic, as is often assumed. Rather, the impediment was attitudinal. Their pride, embarrassment, and sense of shame often meant they did not receive help that they needed and that might have prevented their situation from getting even worse.

Although we were unable to find any comparable Canadian data, we believe the situation of farmers in Ontario is not much different from that of the Missouri farmers. The farm crisis suggests the need to assess the availability and appropriateness of the social services provided in Ontario's rural communities. In particular, it suggests the need for better co-ordination between the social assistance and social service systems to ensure the most appropriate delivery of help to potential recipients of social assistance living in rural communities.

Recipients with Special Needs

Many social services can help recipients move towards self-reliance, but the social service system has its failings. During the hearings we heard of several groups whose specialized needs are not being fully met by the existing social service system. These groups include many who are recipients or potential recipients of social assistance.

Crown Wards

Although the link between social assistance and those who are or were wards of the Crown may at first seem somewhat tenuous, we came to better understand the interrelationship as a result of a background report we commissioned from the Youth-in-Care Network.[67] The network includes young people who were raised in the child welfare system or who are presently in the care of child welfare authorities.

There are strong suspicions but virtually no empirical data about the extent to which wards of the state become recipients of social assistance. A Winnipeg study followed up a sample of people who had been in care but who had reached the age of majority; it estimated that 76.4% of former wards had received some form of welfare in the previous six months.[68] Some American research also suggests that former wards of the child welfare system are more likely than the population as a whole to receive social assistance.[69]

In the absence of hard evidence, we believe it is entirely probable that wards of the state run a greater risk of becoming dependent on social assistance. We also believe child welfare authorities must consider steps they can take to increase the prospects of successful independence and self-reliance for youth leaving care. Measures such as a one-time "start-up" benefit to help former wards furnish an apartment, for example, might prevent some wards from turning to assistance in the first place or might at least reduce the amount of time they receive assistance.

The Youth-in-Care Network advanced several suggestions that we also support. For example, it advocates that counselling and independence training should be made available in advance to youth who are about to leave care. It also proposes a new position: after-care worker. These workers would serve as personal contacts and supports for former wards, functioning as a resource to facilitate the transition from dependence to independence.

The Ministry of Community and Social Services did start a program in 1984 designed to address some of the problems of wards. The program, Preparation for Independence, is delivered as one part of the Employment Opportunities Program (EOP). It is aimed at youth in care and provides them with life skills training and preparation for employment. The program is delivered primarily by Children's Aid Societies in approximately 30 locations across the province. Preparation for Independence is a welcome initiative, but it does not appear to come close to meeting the great potential need. Its delivery through EOP may also restrict its usefulness, because EOP is primarily aimed at employment, which may not be the most feasible option for all Crown wards; many need additional services that would not be found in employment-related programs. In addition, the program is not nearly as comprehensive as the one envisaged by the Youth-in-Care Network.

TRANSITIONS

The problems of the older ward can be made greater when the legal relationship with his or her substitute family comes to an end. For almost all Crown wards, wardship expires at age 18, or sooner by court order. In some cases, wardship ends because the young person has re-established contact with the biological family. In many others, he or she is left with no family support. Often, early termination of wardship is ordered because the 16- or 17-year-old has left CAS care and is thought to be beyond the CAS's help.

The special trust that the Crown takes on, through Children's Aid Societies, when it assumes the care of its wards and the high-risk status of many of these young persons lead us to question the wisdom of terminating wardship, at least when the ward is not requesting it. If the substitute family is providing ongoing support, it seems counterproductive to require the support to end just when it may be needed most. Even when contact with the Children's Aid Society is tenuous at best, we question whether all possibility of seeking help and support in the future should be ended. Many of us turn to our families for assistance as we enter adulthood; in a number of cases, this can be after some effort to survive on our own without family support.

With these young persons, the Crown wardship order has, in all likelihood, increased the possibility that no supports are available from family and others in the community; many orders terminate the parent-child relationship emotionally as well as legally. Little in the way of "family" may remain within the Children's Aid either, and the young person may be eager to end the legal bond between them. However, for those who have forged a supportive relationship or who are prepared to leave open the possibility of ongoing contact, there seems little value in severing the link abruptly either by statute or court order.

RECOMMENDATION 122

Consideration should be given to amending the Child and Family Services Act to extend Crown wardship into adulthood, if the ward consents, and to limit the power of the court to terminate Crown wardships earlier without the consent of the Crown ward.

Victims of Family Violence

The problems encountered by the victims of family violence – abused spouses and their children – have received increased attention in recent years. The subject has resulted in numerous reports and recommendations. While we have little that is new to add to the discussion, we want to express our concern about the discrepancy between the demand and the availability of services for abused spouses and children. This concern was also voiced on numerous occasions during our hearings. It appears that the problems result in part from major difficulties with both the amount and the method of funding provided.

Unfortunately, the system appears to be unsuccessful even in providing crisis intervention for all who need it. It is our understanding that, on average, only one of every four families in Ontario requesting emergency shelter is accommodated; the discrepancy is much greater in large urban areas. In Metropolitan Toronto, for example, there are 250 crisis intervention beds that could be made available to victims of abuse. Yet we were advised that between 60 and 100 women are turned away each day because of lack of space.

The shortage of emergency shelters for victims of family violence is a serious problem. It seems obvious that it will result in some women and children staying in abusive situations because they have no alternatives. Clearly, more emergency facilities are required; but providing them will not be sufficient to heal the trauma experienced by victims of violence. Additional help and support is required to help people in this situation escape or avoid dependence on social assistance.

Some of our recommendations in other chapters will help abused spouses. For example, our recommendations in Chapter 4 broadening eligibility should help by ensuring that abused spouses are not denied assistance because they lack an address after leaving the family home. In Chapter 10, we have recommended that abused spouses be permitted to choose not to bring support applications on their own, which may reduce the likelihood that victims of family violence will give up valuable support rights. Also in Chapter 10, we recommend that transition houses be taken out of social assistance legislation and be funded and regulated through separate adult residential services legislation.

In addition, we received other comments and suggestions. We were told, for example, that there is relatively little follow-up support available to victims of abuse once they leave emergency shelters. We also heard that little specialized help is offered for children. We heard criticism that there are virtually no programs for the perpetrators of violence. We will forward the recommendations we received and ask the government to consider solutions to the continuing difficulties of victims of family violence.

While we are encouraged to see more effort and attention being directed towards the victims of abuse, we also realize that much more needs to be done. We hope that some of the recommendations we advance here will precipitate more action to meet the needs of abused spouses and children so that they are able to return to positions of stability and independence as quickly as possible.

EMPTY NESTERS

One group of particular concern to us are those recipients referred to as "empty nesters". The term is here applied to those women who have reached middle age after having raised their children as single parents receiving social assistance. By the time their children leave home, they will have been on assistance for a long time, having had little if any recent work experience. In addition, many will not have had much formal education.

Some of the recommendations in this report will help to reduce the problems of this group in the future. The provision of opportunity planning may help sole-support parents develop plans at an earlier stage for the day when their children leave home. The new approach we have proposed to the determination and definition of disability may also allow some people who are now viewed as empty nesters to become eligible for the proposed handicapped allowance.

These measures will not benefit many present empty nesters, however. With little work experience or education, their prospects for self-reliance are not as bright as those of other groups of recipients. Some of our recommendations, like easing the restrictions on the number of hours FBA recipients can work, should help. But other strategies must also be employed.

One approach that may be particularly effective with this group is to encourage and facilitate their involvement in the work of voluntary organizations.

Voluntary organizations provide a wide range of services and have need of a diversity of skills and talents. In addition, they have experience in organizing and structuring work to be done to accommodate both the aptitudes and availability of volunteers. As a result, they may be a perfect vehicle to engage this group of recipients in participating and contributing to the community. For some, volunteer work may also provide useful skills and experience that will serve as a stepping-stone to the labour force.

Social assistance recipients would not be the only ones to benefit from such an approach, however. The interests, abilities, and experiences of recipients are as diverse as the needs of the hundreds of voluntary organizations across the province. The work of some voluntary groups that deal primarily with low-income people, or that are particularly concerned about poverty, stands to benefit enormously from the personal experience of people who have "been there". These groups could include emergency shelters, planning bodies, crisis centres, telephone hotlines, literacy training programs, and the like.

Encouraging empty nesters to work as volunteers is simply one example of different and innovative strategies to foster self-reliance. Other approaches must be taken, but such efforts must never be seen as an alternative to the provision of social assistance benefits that are adequate and that would enable women in this situation to live in dignity.

Former Psychiatric Patients

The difficulties faced by former psychiatric patients moving into the community were raised extensively during the public hearings. Members of this committee share the concern for the situation of these people.

We believe some of our recommendations will be of benefit to this group. For example, our proposal in Chapter 4 will have the effect of making a more generous "start-up" allowance available to people leaving institutions or other living arrangements. In Chapter 10, we propose a variety of recommendations to help resolve the housing problem; some of these will be of particular benefit to former psychiatric patients.

This subject is a complex one and well beyond the ability of this committee to provide new insight. A much more thorough and comprehensive analysis has been provided in the 1984 report of the Mayor of Toronto's Task Force on Discharged Psychiatric Patients, chaired by Dr. Reva Gerstein.[70] We simply want to state here our concern about this particular group of recipients. It is clear that they have very specialized needs and that many of these needs are not being met by the present social service system.

Allocating Resources

This chapter has attempted to illustrate the range of services, supports, and financial measures that can help people receiving social assistance to make the transition to self-reliance. The experience of other jurisdictions indicates that many of these measures can and do work. The experience of the committee leads us to believe that the vast majority of recipients would take advantage of such measures.

If our society is serious about helping people move through the social assistance system and return to self-reliance as humanely and as quickly as possible, then we must allocate far more resources to that end. It is clear to us that the level of resources allocated to recipients of social assistance for this purpose falls far short of meeting current demands. The committee sees basically two choices: our society can spend more money on services and supports to help recipients become self-reliant and full and participating members of society, or we can spend less, but still a substantial amount, to maintain large numbers of people, especially women and children, in a non-productive state of isolation and segregation.

We believe that more money must be allocated to help recipients of assistance to become self-reliant, but we also realize that resources are finite. It will simply not be possible to provide all programs and services to all recipients who may want them and may benefit from them. The government will need to make difficult decisions. For example, to what extent should social assistance recipients be given preferential access to the kinds of services and supports described above? And to what extent should certain kinds of assistance be concentrated on certain groups of recipients? These questions are at the heart of the issue of targeting, to which we now turn our attention.

TARGETING SERVICES AND SUPPORTS

Whether it be skills training, literacy education, or work experience programs, the committee believes strongly that social assistance recipients should have access to these and other programs through the ministries and departments that provide such services to the population as a whole. All our recommendations are based on that premise. We also believe, however, that social assistance recipients must be ensured reasonable access to those services. Failure to ensure their access may result in "creaming" – programs choosing participants, usually unintentionally, on the basis of their likelihood of success rather than their need for the specific services. "Creaming" could limit access for social assistance recipients.

The committee believes a good argument can be made that some of the services and supports described above should guarantee a certain number or percentage of spaces to people receiving social assistance – in effect, an affirmative action strategy for recipients. We believe this approach, implicit in the recently signed four-cornered agreement, is a rational and fair method of ensuring not only that recipients have reasonable access to certain services but that those programs adapt to meet the needs of recipients. An affirmative action strategy should be applied, in particular, to those specific services that prove most effective in helping recipients of assistance move into the labour force. We have called for a major evaluation of employment and training programs used by recipients; the results of those evaluations should be used to develop appropriate affirmative action strategies.

TARGETING RECIPIENTS

Perhaps a more difficult question is the extent to which certain groups of recipients should be provided with specialized help or assistance. The idea of targeting recipients arises from several factors, most of which have to do with limited financial resources.

Some people support targeting because, they argue, financial resources are and always will be limited. No system is able to provide all recipients with all the supports and services that will increase their chances of attaining self-reliance. Therefore, choices must be made about which recipients get what assistance; it is argued that it makes more sense to target help to those who are most likely to benefit. Others see targeting as a means of reducing total expenditures on social assistance. It has been demonstrated that a disproportionately large part of the social assistance budget is expended on a relatively small number of people who receive assistance for long periods. If specialized help is targeted towards that group to help them leave assistance, the expenditures on assistance can presumably be reduced or reallocated.

The committee believes there is some validity to both these arguments. We accept the fact that limited resources will require difficult choices. We also believe that if assistance is aimed at those with a greater likelihood of long-term dependence, long-term savings can accrue. But once the decision to target is made, it must still be determined which group of recipients might best benefit from additional help. We advance the following recommendations as a framework for a targeting strategy.

Emphasis should be given to, first, preventing the need for people to turn to social assistance and, second, facilitating the return of those who do require assistance to the mainstream of community life as quickly as possible. Preventive efforts will be most effective if the system can identify those people entering the caseload who run the highest risk of long-term dependence and target resources to them. In order to identify that high-risk group, we need better information about the characteristics of current long-term dependants and the factors that contributed to their long-term dependence. When such research is initiated, it will be important to assess how the characteristics of long-term recipients may change in the future, as the profile of people who are now entering the system changes.

RECOMMENDATION 123

The Ministry of Community and Social Services should develop a comprehensive profile of long-term recipients of social assistance that would isolate those variables most related to duration and frequency of dependence.

AN INTERIM TARGETING STRATEGY

There are very few hard data that enable us to make firm, unequivocal recommendations about targeting. In particular, there is virtually no Canadian research that precisely identifies those who have a high risk of long-term dependence on social assistance. There is also relatively little information about which educational, employment, training, or support services are most effective with which recipients. Several of the recommendations in this chapter should result in better information being compiled. In the meantime, however, there is some evidence, primarily from the United States, that would enable the government to adopt an interim strategy of targeting until more conclusive research results are available.

In general, we know least about young people and adult men on social assistance. Information about strategies for people with disabilities is better but still rudimentary. We understand very little about the factors resulting in longer-term dependence for some members of these groups. Nor do we have a clear picture about which self-reliance strategies are most appropriate and most effective for this part of the social assistance population. Clearly, the priority for evaluative research should be to examine these groups.[71] Fortunately, better information exists about women, perhaps because government has had more experience providing and evaluating programs aimed at helping women make the transition from assistance to self-reliance. The major element of the Employment Opportunities Program, for example, is Employment Support Initiatives (ESI), which is targeted towards sole-support mothers.

Research from the U.S. suggests that marital status is the single most powerful predictor of welfare duration. In particular, young, unmarried mothers run the greatest risk of long-term dependence on assistance.[72] The evidence also indicates that when services are directed towards new recipients, there is a greater chance of "catching" those with a high risk of long-term dependence. In addition, the likelihood of successful intervention and an early return to self-sufficiency decreases with the length of time in the caseload.[73]

The most recent American evaluative research is very encouraging. It indicates that programs designed to help sole-support mothers achieve self-reliance have been highly successful and cost-effective.[74] We understand that a number of European countries have had a similar experience. As a result, retraining programs are concentrated on those who have recently left the labour force; they are often targeted towards single parents, most of whom are women. In Sweden, for example, single mothers receive priority for intensive placement services. Special incentives are offered to employers in France, Sweden, and Germany to hire single mothers. Recently unemployed single mothers are often given priority for scarce child care spaces.[75]

One other result of American research is also instructive. As mentioned earlier, there is clear evidence that concentrated and comprehensive services for pregnant and parenting adolescents not only reduce the probability of long-term welfare dependency but also result in lower infant mortality, fewer repeat pregnancies, and lower school dropout rates.[76]

There is little reason to believe that Ontario's situation is likely to be very different from that of the U.S. or European countries.

RECOMMENDATION 124

As an interim strategy and until further research is initiated, single mothers starting to receive assistance for the first time, and especially those who are young and unmarried, should be given special consideration for access to services designed to help people leave social assistance. Further, particular consideration should be given to pregnant and parenting adolescents.

This interim strategy in no way implies a need to stop developing programs designed to help other recipients move into the labour force. It simply recognizes that young, unmarried mothers are a group at risk of long-term dependence, and that programs aimed at that group have proved successful. This fact must be considered by opportunity planners, who may have to make tough decisions about who gets what help. All things being equal and until we have better information about programs that work for other groups, additional assistance should be concentrated on young, unmarried mothers, and particularly adolescent mothers.

One of the most difficult issues with which we grappled was whether special assistance should be targeted towards that group of recipients who are formally required to engage in opportunity planning as a condition of receiving full benefits. This subject is addressed in detail in Chapter 5. On the one hand, it is reasonable to argue that services or programs should be targeted to those who are obliged to participate. On the other hand, those for whom conditions will be imposed are likely to be single adult men, the group about which we know least with respect to successful strategies to help achieve self-reliance. Targeting resources to that group may not produce positive results and may be the least cost-effective approach.

Until better evaluative information is available, the committee does not recommend targeting resources especially to those who are required to engage in opportunity planning. It should be remembered that only minimal assistance will be required in order for some people to fulfil their formal obligations. Others, however, may require intensive help from the opportunity planner as well as concentrated services and supports. If those services and supports are not provided, however, a sanction should not be imposed on an individual for failure to participate.

Although we have recommended targeting sole-support mothers for additional assistance in entering the labour force, we believe that participation in such programs should be purely voluntary. In our opinion, those sole-support parents who would like to work will take full advantage of assistance offered them to do so. They do not need to be forced or compelled to participate. We also believe sole-support parents must have the option of staying at home to raise their children if they so choose. Raising young children, in our view, is every bit as important and useful a contribution as participation in paid employment.

At the same time, however, it is vitally important for those who choose to stay home to raise children to develop a personal plan for the day when their children leave home. There should be periodic case reviews of single parents not involved in training or employment programs or otherwise engaged with opportunity planners. Such reviews should help parents begin to make their plans. Given that the longer one receives assistance, the more difficult it becomes to leave, periodic reviews would also help identify those who may be at greater risk of long-term dependence. The potential benefits of periodic case reviews could apply to all recipients, not just sole-support parents.

RECOMMENDATION 125

An automatic and comprehensive review of every recipient not engaged with an opportunity planner should be undertaken after two consecutive years of receiving assistance, to assess the outcome of any previous efforts at opportunity planning and the need for other services that may make continuing dependence on assistance less likely.

The institution of an automatic "tickler" in the system that would result in case reviews is another form of targeting. By focusing on those who have been receiving assistance for two years but are not engaged with an opportunity planner, attention is directed towards those who appear to be at particular risk of long-term dependence. Specialized assistance can be offered to a high-risk group, to assess the need for revised or new strategies that will increase the prospects of self-reliance.

An automatic case review process can serve other purposes as well, especially if it incorporates a research component. Ongoing monitoring would identify any changes in the composition of the caseload as a whole, and especially in the composition of that group that is at risk of long-term dependence. Changes in the profile of the high-risk group could be used to alter or revise intervention strategies and programs intended for that group.

These recommendations constitute an interim strategy. Clearly, much more and better research is needed before any strategy is finalized. We have come to believe, however, that not only is a targeting policy practical, it can be effective and fair. As the government develops a targeting strategy, however, it will be important to bear in mind the U.S. experience. First, if targeting is to be effective, it will ultimately require the provision of comprehensive and expensive services concentrated on a small number of recipients.[77] Second, although there is evidence that targeting can result in cost reductions, the savings accrue relatively slowly and over a long period of time.[78] Targeting will not result in instant savings.

7

PROGRAM DELIVERY

The manner in which social assistance is currently offered causes a great deal of frustration to clients and social assistance staff alike. From the clients' perspective, the system is often seen as an uncaring one that robs them of personal dignity. From a staff perspective, large caseloads and an over-emphasis on completing reports leave insufficient time to help clients on an individual basis.

How help is provided conveys a message – a statement of the essential worth of an individual, of the role he or she plays within the system. An appropriate delivery process can help to eliminate the sense of powerlessness felt by many as they approach the system and can enhance their ability to take on personal responsibility. The manner of delivery can make the difference between whether people take advantage of the assistance to which they are entitled and whether they decide that participating is simply not worth the inherent difficulties. This chapter identifies the major problems in the current delivery system, along with our proposed solutions.

The delivery of service to families on social assistance should be focussed on giving families or individuals more power and independence... At the very least they should in some way be included in decisions affecting their lives.

Niagara Child Development Centre

The complexity of the system, coupled with its emphasis upon controlling access to financial benefits, has resulted in an adversarial process that profoundly alienates clients from those who deliver benefits. This adversarial characteristic is reinforced by the quality and physical design of many social assistance offices and by the system's reliance upon complex and confusing forms. The first requirement in a new delivery process is a fundamental change in attitude. Helping those who need assistance should be the system's guiding aim.

There is too much discretion in the present system, and not enough training to ensure that where discretion must be used, it is exercised well. Discretion cannot be eliminated, for it gives the system flexibility, but there are ways of improving its application to individual cases. We will recommend changes to the amount of discretion in the system as well as various methods of ensuring that better decisions are made.

The present process stigmatizes recipients and reinforces their feelings of powerlessness and inadequacy. If the existing stigma is to be reduced and ultimately eliminated, the delivery system must emphasize the fundamental worth of those who come to it, receive sufficient resources to demonstrate the importance of the assistance it provides, and help each recipient move towards self-sufficiency and community participation.

An appeal may be made by an applicant or recipient who has been refused benefits or whose benefits have been suspended, cancelled, or reduced. Appeals are heard by a tribunal called the Social Assistance Review Board, which heard 3,800 appeals in 1985/86. The board's decisions can greatly affect policies and procedures in the entire social assistance system. The current handling of appeals is lacking in procedural fairness. Procedural protections must be built into the system as a way of protecting rights. These include enhanced notice provisions, the requirement to give adequate reasons, and added opportunities for review.

The current system discourages the use of legal and non-legal advocates and does little to support clients' active participation in the process by which their financial and other needs are established. Applicants should be given the means of becoming partners in this process, and the system should adopt a positive and supportive approach to the use of advocates, particularly at key decision points. Clients have been effectively excluded by a system that fails to provide them with access to information about both themselves and the process itself. Clients should routinely be made aware of their right of access to information, and provided with easy access to their files.

The current system responds poorly to the fact that this is increasingly a multicultural province. French-language services are not available in some regions where the need is great. Language differences and the failure to understand and respond to cultural uniqueness create barriers that make the system seem inaccessible to many. We will propose various measures designed to help staff serve multicultural communities, including much more active involvement of members of these communities.

The social assistance system has yet to use technology in a way that appreciably improves the delivery process from the perspective of front-line staff and recipients. Most change has been internal to the system and has not led to reduced emphasis upon the paperwork that consumes the time of caseworkers. We will recommend pilot testing of numerous technological initiatives, including the reduction of manual files, voluntary electronic funds transfers, and personal entitlement schedules for clients.

Many of the current methods used to ensure financial integrity are extremely intrusive, and little evidence has been offered that they are effective in maintaining the integrity of the system. We will encourage the introduction of better research to determine the amount of fraud in the system and the most effective methods of eliminating it. Promising methods that are not unduly intrusive and that do not excessively violate basic individual rights should be tested and, if successful, implemented.

A number of the tenets discussed in Chapter 1 have guided our decisions in this chapter. All the principles are relevant, but some are particularly so. The accessibility principle is perhaps the most important, because the way a program is delivered helps to determine whether it really is accessible to those who need it. Accessibility is linked to eligibility, for a delivery system that is perceived to be helpful and welcoming of those in need is one that applies broad eligibility criteria effectively, on the basis of need. Controlling the exercise of discretion in important areas and improving discretionary decision-making will greatly affect adequacy. The rights principle is crucial because a key way of protecting rights involves building procedural protections into the system. The diversity principle has played an important role in the recommendations we make with respect to multicultural communities. Finally, the principle of financial integrity has guided our recommendations in that area.

New Approaches to Delivery

The current process of delivering social assistance was the subject of scathing criticism throughout our hearings. The manner of delivery has crucial effects upon whether clients eventually make the transition to independence or whether they end up trapped in a system over which they have little control.

Many of the changes discussed elsewhere in this report are fundamental to an improved delivery process. Most important are the recommendations regarding human resources and the proposed introduction of opportunity planning that appear in Chapter 5. The simplified, integrated benefit structure described in Chapter 4 will greatly improve delivery, as will the measures designed to improve co-ordination at the provincial and local levels, discussed in Chapter 8.

Five broad changes in the way that assistance is offered must be evident throughout the process: a change in attitude towards recipients; better working environments; more advocacy; a more open system; and a new approach to discretionary decision-making.

Attitude

The most positive attitude will be of little use if basic assistance is inadequate. On the other hand, the manner in which the system responds to those in need must change if the reforms we propose are to be effective. Staff must genuinely want to help clients. They must believe that clients are able to make the transition to independence or achieve their full potential as human beings while receiving assistance, and they must be skilled in assisting them in doing so; see the human resources section of Chapter 5. Without such changes in approach and attitudes, the adversarial nature of the system will remain unchanged.

Working Environment

Many social assistance offices are not at all conducive to effective helping relationships between staff and recipients. Few resources are available to make the working environment a positive one for those who work in it and those who come to it for help. Some offices have locked doors to separate clients from staff, and they provide clients with inadequate reception areas. Poor office design reflects the low status accorded by provincial and municipal governments to these operations. Many of the basic physical amenities that would signal to workers and clients alike that this is a positive, helping program are absent.

RECOMMENDATION 126

Standards should be developed to ensure that social assistance offices are positive environments for both staff and clients.

Advocacy

We have formulated our recommendations with regard to advocacy as part of our approach to the whole system. It is therefore critical to note that, if our recommendations about how the system should function were not adopted, we would propose a completely different place for advocacy.

Traditionally, advocacy has been thought of in a strictly legal context: one or more individuals are represented by lawyers before a court or a tribunal, or prior to such a hearing. In recent years, however, the concept of advocacy has been broadened to include non-legal advocacy. In 1984, for example, the Child and Family Services Act established the Office of Child and Family Service Advocacy, which is charged with co-ordinating and administering "a system of advocacy, except for advocacy before a court" for children and families receiving or seeking service from approved agencies.[1] More recently, the government released a report that promotes the use of non-legal advocacy for vulnerable adults living in institutional settings and in the community.[2] It is our assumption that the government will be taking steps to strengthen community-based advocacy, and we support initiatives in this direction.

If the social assistance system were to remain in its present form, we believe that every client would benefit from having a knowledgeable advocate accompany him or her through the system from the initial application to any necessary appeals. The cur-

Voices

Ontario Council of Agencies Serving Immigrants

We understand the overwhelming workload of the workers and we attribute this to the growing dimensions of poverty in Ontario. We believe that neither poor people nor case workers should bear the burden of a faltering social assistance system. The Ministry of Community and Social Services should take action to increase the number of workers to lessen their workload.

Housing staff at Nellie's, a Toronto women's shelter

Welfare offices do not need to be like "WAR ZONES." More and more offices are equipped with plexiglass structures with very little contact allowed between client and worker. A recipient of Social Services is entitled at least to their dignity and to yell their circumstances through a 2 inch hole in a partition is quite humiliating. The division between client and worker is made quite clear.

Recipient

I am sick to death of revealing my life story to people who look through me instead of at me, as if by looking into my eyes they fear my hard luck will contaminate them or worse yet I will become a real person instead of a statistic.

Recipient

I have had to educate myself at my time and the expense of my family just to survive in this sea of red tape and fragmented information and services.

rent system is extremely complex and it is almost impossible for clients and workers to understand precisely what assistance an individual or family should be receiving. Overworked staff lack the time, energy, and knowledge to guide someone who is economically and often educationally disadvantaged through the process. A report prepared for the committee has described, within the context of the current system, the elements of a complete system of advocacy, from initial application to final appeal.[3] The committee does not favour such an advocacy-driven approach, if those recommendations we have made in an effort to turn this into a more sensitive system are adopted. In the context of the reformed system, we support a less extensive but still positive approach to the provision of advocacy.

While we recognize the limits of internal advocacy, we believe that the introduction of opportunity planners (described in Chapter 5) will improve the advocacy capability of the system. These individuals will work with clients to help them define and obtain the support they need to achieve greater self-sufficiency. Separating the functions of the opportunity planner and the income support worker should enable the former to act and be seen as the recipient's advocate.

Even in an improved system, many clients will feel more comfortable having someone outside the system present to help them. In the future we envision, social assistance staff would be trained to inform clients about the availability of advocates and would encourage them to make use of such services if they so desired. Much can be done to provide applicants with such information. In some social assistance offices, this is already done, but many resist strongly all requests for such information.

There is a need to increase the number of external advocates available. Community legal clinics – staffed by lawyers, community legal workers, law students, and social work students – frequently provide highly effective advocacy services in the social assistance system both prior to appeals and during them. We encourage expansion of the clinic system so that needed advocacy services are supplied.

Clients should be made more aware that advice and representation may be obtained from individual lawyers acting under a certificate issued by the Ontario Legal Aid Plan. The special skills required to represent social assistance applicants and recipients suggest that specialized training should be offered to those who take on the task. We are impressed with the programs available to lawyers who represent children on the child representation panel administered by the Office of the Official Guardian, and with the instruction available to the special panel of lawyers who represent abused spouses before the courts.

We are similarly impressed with the work being done by a long list of community-based self-help groups – for example, People Against Poverty, Persons United for Self Help (PUSH) Ontario, and Low Income People Involvement. Many of these lay groups have functioned as effective advocates, and more can be done to support their work and to broaden the availability of such resources. This type of advocacy is an effective means of empowering those who have previously been reinforced in the belief that they have no effective role to play.

Notwithstanding the effectiveness of community-based advocacy groups, we see legal advocacy as a right when cases are appealed before the Social Assistance Review Board.

RECOMMENDATION 127

Social assistance workers, and opportunity planners in particular,

should be trained to act as internal advocates on behalf of their clients.

RECOMMENDATION 128

Clients should be made aware of the availability of external advocates and encouraged to make use of them if desired, from the time of first contact with the system.

RECOMMENDATION 129

The system of community legal clinics should be expanded to ensure that legal advocacy services are available to applicants and recipients.

RECOMMENDATION 130

Specialized training should be offered to lawyers who provide legal aid representation in the social assistance field.

RECOMMENDATION 131

Financial support and encouragement should be provided to community-based self-help groups providing and seeking to provide effective non-legal advocacy services.

An Open System

Openness is extremely important in a social assistance system, where the individual or advocate must deal with a large bureaucracy. The Ontario system has taken some steps to provide that openness. For example, MCSS has developed a case information and disclosure manual that allows clients greater access to information. However, no consistent efforts have been made to encourage clients to request their files or even to inform them of their right to this information. Without full access to all manuals and materials concerning eligibility, it is almost impossible for clients and their advocates to ascertain precisely what benefits are available.

Nothing in either the General Welfare Assistance Act or the Family Benefits Act restricts access to files. Indeed, there is only one requirement that information be kept "confidential": a regulation that forbids a municipality or band from making public the identity of any person who is eligible for or receives public assistance.[4] Nevertheless, in practice, files have been kept confidential even from the individuals to whom they pertain. Yet we were also advised of situations in which information collected for income maintenance purposes has flowed to other branches of government.

Voices

Karen D'Souza, Social Worker, Metropolitan Toronto Social Services

The 6 years that I spent in college and university in no way prepared me for the stresses of the job. I had no way of learning how to provide comfort and support to a woman who is shattered by the recent break-up of her marriage and unable to cope with being alone and having to rear her children, within the forty-five minutes I hoped it would take me to complete the application because I had 3 other clients awaiting a visit.

No amount of education can prepare a worker for having to sit across from a young man who is weeping bitterly over the death of his Mother, knowing that you are unable to help monetarily because the Father has the ability to provide, and unable to help supportively due to the limitations of the job. And, no one taught me how to deal with a 14 year old single Mother who refuses to discuss the Father of the child, when all my experience and education tells me it may be a result of incest, and I don't have the time to explore the problem and support this young girl.

Recipient

Two months after I was accepted for welfare, I phoned my worker about daycare. I was told my worker didn't work there anymore. I was told I'd get a new worker and a letter would be sent telling me who it was. I never received any letter and I never met my worker.

When benefits are refused or when it is proposed that they be reduced or terminated, individuals are not given full information regarding the reasons for the proposed action. Form letters lacking in information and detail are sent to clients. Even when a decision is appealed before the Social Assistance Review Board, neither the appellant nor the board members have full access to all the information on which the adverse decision was based. Generally, only a submission from the Director of the ministry's Income Maintenance Branch and the report of the Medical Advisory Board, where applicable, are supplied. The file is edited and summarized in a submission that supports the position of only one of the parties to the appeal. By contrast, in the workers' compensation appeal system, full access to files has existed for more than a decade.

We believe that an applicant for or recipient of social assistance must have unrestricted access to the material that is held about him or her from the time an application is made through to the time he or she leaves social assistance.

RECOMMENDATION 132

The social assistance system should be an open one, providing clients with full access to their files from their initial application through to appeal or their leaving social assistance. Full access should include any information that forms the basis for reports or decisions, whatever its source.

Recent legislation in Ontario has signalled a move to greater openness. The Freedom of Information and Protection of Privacy Act, 1987, came into force on January 1, 1988. This Act embodies two main principles. First, everyone has the right to information held by the government unless the information falls under a specified exemption. Second, personal information about an individual must not be collected from or disclosed to anyone other than the individual to whom the information relates, unless the collection or disclosure comes within specified exemptions. There are exemptions under which the indirect collection of personal information is authorized: when the individual authorizes this manner of collection; when it is collected for the purpose of a proceeding or possible proceeding before a court or tribunal; when it is collected for law enforcement purposes; or when another manner of collection is authorized by a statute. In addition, whenever personal information is collected, the individual must be informed of the legal authority for the collection of the personal information, and the principal purpose for which the information is to be used.

We believe the government will need to create exemptions that will permit the collection of information for social assistance purposes. This will be necessary to ensure the financial integrity of the system. We believe, however, that such exemptions should be clearly stated in the legislation. They should be based on the principle expressed in the new freedom of information legislation: that whenever possible, needed information should be collected from the individual in question. External consultation should take place on any proposed departures from this principle.

RECOMMENDATION 133

Consistent with new Ontario legislation on freedom of information, wherever possible, information needed for social assistance purposes should be collected from the client. Exemptions from this rule should be clearly stated in legislation.

Discretionary Decision-making

Few subjects addressed by the committee evoked the high level of criticism aroused by discretionary decision-making. Not one submission favoured the way in which discretion is now exercised, and the common suggestion was that all discretion in the system should be abolished. While we agree that there is too much discretion in the present system, and while we were also greatly concerned about the general perception that "discretion" means the complete and unbridled authority simply to decide not to pay the benefit sought, we do not believe that the answer is the unrealistic objective of eliminating discretion or so tightly controlling it that all decisions are inflexible.

The experience of those familiar with the present social assistance system has led them to equate discretion with arbitrariness, the absence of rules, and the failure to follow rules. They see it as biased decision-making, the opposite of what they often, in the hearings, called "legal" decision-making. In reality, discretion need not be any of these things. In a system as large as Ontario's social assistance system, it is not possible to create rules that will definitively cover each situation that may arise. Allowing for the exercise of some discretion creates flexibility and permits people to be assisted who may not fall precisely within the confines of a specific rule. Discretion is not necessarily bad, and can even be helpful in such a large system.

Two issues must be addressed when determining how to improve the exercise of discretion within social assistance: how much discretion should exist, and how to improve the quality of discretionary decision-making.[5]

One way of approaching the first question is to consider which benefits should be non-mandatory and which mandatory, as we do in Chapter 4. We propose there that many benefits now considered non-mandatory should become mandatory. This does not eliminate discretion, but rather ties it to a few precise rules that are publicly stated in the legislation. An alternative approach is simply to ask how tightly controlled, how subject to rules, decisions should be. We cannot answer this question with respect to all the decisions made within Ontario's social assistance system. However, the following criteria should assist in developing answers.

First, there should be little discretion with respect to the basic necessities of life. Second, rules should be precise where there are few differences in the circumstances of the clients. Treating all cases alike does not always lead to equity and fairness. However, prescribed benefit levels are appropriate when financial need is generally the same. For example, it is probably more appropriate to specify shelter and fuel subsidies for various areas of the province than to deal with each case individually. On the other hand, such matters as the length of on-the-job training for vocational rehabilitation clients should be dealt with on a case-by-case basis, since each person learns at his or her own pace. Inflexible, predetermined time periods for rehabilitation or job training may be inappropriate, given the range of disabilities and of abilities to learn. Finally, concerns for cost-effectiveness may dictate either precise rules or greater flexibility. If the cost of a benefit is low and case-by-case analysis would be expensive, it is better to have a precise rule. For example, it is reasonable that recipients receiving the guide-dog allowance all receive the same amount: their expenses are roughly the same, and it would be impractical to analyse the cost of each dog individually. If the cost of a benefit is high, it is better to analyse the request on a case-by-case basis. This procedure would be appropriate, for example, in deciding whether to buy microcomputer systems for disabled clients.

Much of the unhappiness with the present system results from poor decision-making, even when the rules guiding the exercise of discretion are clear. Four of the many measures that could improve the quality of staff decisions are noted here.

Accurate Fact-Finding Good decisions are based on good information. An open system in which clients themselves – not secondary sources such as neighbours, banks, or schools – are used to obtain needed information can greatly aid in ensuring accurate fact-finding. When information is obtained from third parties, it should be verified with the client whenever possible. Questions should be worded so as to elicit accurate answers. Important information should be obtained from more than one source. Workers must be trained to separate their observations from their judgements. Standards should be developed dealing with the manner in which files should be kept.

Consistent Application of Law and Policy The extent to which legislation, manuals, and policy directives provide clear direction can be of great importance in improving decision-making. Those who draft statutes must be aware of the confusion and inconsistency in decision-making that results from vague statutory provisions. The government must review its internal manuals and guidelines to ensure that they are understandable and consistent with the legislation.

Training Those who make decisions must be trained to do so. They must learn to rely only on relevant considerations; they must be aware of the legislation and policies; they must learn how to judge when they have sufficient information to make a decision; they must learn to state reasons for their decisions as a means of ensuring that the decisions are correct. To be effective, training must provide workers with opportunities to give and receive feedback on decisions in simulated case situations.

Effective Review There should be an effective review process for discretionary decisions. Later in this chapter we will describe the reviews that we believe should take place. Discretionary decisions should be open to review both internally and at the level of the Social Assistance Review Board.

RECOMMENDATION 134

All types of decisions within the social assistance system should be reviewed to determine the appropriate level of discretion for each case.

RECOMMENDATION 135

Efforts should be made to improve the quality of discretionary decision-making through accurate fact-finding, consistent application of law and policy, training, and more effective review of decisions.

Procedural Issues in Delivery

The above changes should become accepted elements of the overall delivery process. A chronological description of the process demonstrates the need for a number of other changes as well. There are two aspects to the reformed delivery process, income support and opportunity planning.

INTAKE/ASSESSMENT

An applicant's initial contact will be with an income support worker, whose role is more fully described in Chapter 5. Under the new system, the client would be seen quickly, and that first contact would include an explanation of the process and information on how to obtain the assistance of an advocate if desired. The income support worker would also determine the client's eligibility for assistance.

The current application process is much too complicated and intrusive. The application forms are extremely complex and require the applicant to provide an enormous amount of information. The system should be based on the premise that the applicant *is* eligible for benefits. Receipt of assistance should be based on the applicant's declaration of need, which should, in the absence of contradictory information, be accepted as true. The declaration should be drafted carefully, so that it contains sufficient information to assess eligibility under the new, simplified system.

Workers will need to explain the declaration carefully to applicants, and penalties for making a false declaration should be made clear. The general premise, however, should be that such declarations are to be believed, as accurate statements of individual need, unless there are valid reasons for believing otherwise.

RECOMMENDATION 136

An application for assistance should be a simplified declaration

by the applicant, indicating that he or she is in need and providing sufficient information to indicate that he or she qualifies for benefits under a simplified system.

HOME VISITS

Under the current system, it is mandatory for a client to receive a home visit. Home visits are used to assess eligibility – for instance, by verifying that the applicant has an address. They also help workers to assess the kinds of support that a client may require. Some clients want to have home visits; they are uncomfortable going to a social assistance office, and instead request that a worker come to their residence in order to take an application. Others, however, find home visits intrusive and embarrassing.

Home visits consume a great deal of workers' time. Their mandatory nature implies that no applicant can be believed without an on-site check. There appears to be insufficient evidence of the usefulness of home visits as a validation technique to justify the enormous resources put into them. We believe that they should not be required in all cases, but should occur only when requested by the client, or randomly, to ensure system integrity. They could also be used in situations where the worker believes there are reasons to go beyond the applicant's declaration. Over time, it should be possible to develop guidelines for when home visits are indicated.

RECOMMENDATION 137

Home visits should not be automatic, but should occur only at the request of the client, at random, or when necessary to ensure that the system is not being abused.

OPPORTUNITY PLANNING

Opportunity planning is described in detail in Chapter 5. For some, opportunity planning will be mandatory, while for others it will be optional. To those for whom it is mandatory, the opportunity planner should be required to explain the possibility of a reduction in benefits if the recipient does not participate. If, at the end of a grace period, the opportunity planner reports to the income support worker that the recipient has not engaged in the opportunity planning process, the worker should notify the recipient of the proposed reduction in benefits. This reduction should be appealable, and the appeal should include the right to question the appropriateness of the plan developed with or for the recipient. Those not subject to mandatory opportunity planning should have the right to have their plans reviewed through a more informal, internal case conference.

Continued Eligibility

In any situation where it is proposed that benefits be refused, reduced, terminated, or suspended, the client should be notified of the proposal and given an opportunity to participate in an internal review, with the possibility of a further appeal to the Social Assistance Review Board. These processes, as well as what constitutes adequate notice, will be discussed later in this chapter.

Determining Disability

In Chapter 4, we make recommendations regarding the definition of disability. In this chapter, we examine the process by which eligibility for the proposed handicapped allowance would be determined. The existing GWA and FBA programs gather and use medical data differently. Under the General Welfare Assistance Act, a client may obtain benefits as an unemployable person by virtue of temporary or permanent ill health. In this situation, a doctor submits a certificate stating that the applicant is "medically unemployable". Without independent review of the physician's certificate, the social assistance administrator accepts or rejects the doctor's opinion. The applicant may appeal an unfavourable decision to the Social Assistance Review Board.

Under the Family Benefits Act, a client may apply for benefits as a disabled, blind, or permanently unemployable person. In this case, a doctor fills out a certificate that is sent to the Medical Advisory Board. In addition, the board receives a lay report completed by an income maintenance officer, and may also seek other necessary information. The two functions of the Medical Advisory Board are to decide whether the evidence before it constitutes objective medical findings, and to advise the Director of the Income Maintenance Branch whether the applicant is permanently unemployable, disabled, or blind, pursuant to the Family Benefits Act. The Director may not designate a person as disabled without advice from the Medical Advisory Board. If the board advises that the applicant is eligible for benefits under one of these categories, an income maintenance officer has the authority to implement the recommendation. However, only the Director has the authority to overturn a negative determination made by the board.

A number of problems have been identified with regard to these processes:

- In essence, the real decision-making authority is effectively delegated to doctors. This results in extensive reliance on clinical judgement, even though the decision being made is only partially a clinical one.
- The process tends to be invisible. There is little review of the decision either of the initial attending physician or of the Medical Advisory Board. Great variability exists across the province with regard to the types of conditions doctors believe fall within the definitions.

- Information on the basis of which the decision is made is generally withheld from the applicant.
- Even at the appeal stage, there is little review of the decisions of the doctors involved.

In keeping with our new definition of disability, we believe that the following measures would enhance the process by which one may be found eligible for the proposed handicapped allowance:

- The process should be more visible and open. This reflects our general belief that the social assistance system as a whole should be more open.
- The role of physicians should be clarified and narrowed to the areas in which doctors have special expertise.
- Disciplines other than medicine should be involved in deciding the extent to which impairments disable individuals and handicap them in the performance of their roles.
- There must be more emphasis on appropriate procedural protections throughout the process.

Under the new decision-making procedure we have formulated, an applicant would first visit his or her own physician, who would complete a form. The doctor would be asked to describe the applicant's impairments and any resulting disabilities, but would not be requested to pass judgement or make any recommendations regarding the applicant's eligibility for benefits. At present, the attending physician is paid for the report only if the applicant is found to be eligible for benefits. It is hard to conceive of a more inappropriate approach to the matter of payment. Payment should follow the completion of the report itself. Such payments are probably best made through OHIP, although this may require further study.

Because some doctors do not wish to become involved in this process, they refuse to complete such reports for their patients. We advocate making the completion of these reports mandatory, and suggest that there be a provision in law protecting doctors against a civil action when they prepare such reports in good faith. Medical reports and any other reports on which decisions are based should be available to applicants.

The medical report and the lay report, which would continue to be prepared, would then be sent to a medical adjudicator retained by the ministry. If the adjudicator held that the information therein supported the granting of the handicapped allowance, it would be granted. Many cases are clear-cut and it makes sense to deal with them in as expeditious a manner as possible.

The medical adjudicator alone should not, however, have the authority to refuse benefits. If the adjudicator believes that benefits should be refused or feels that the case is not clear, then the case should go before a new committee, to be known as the Professional Review Committee. This new committee would consist of at least three members: the medical adjudicator, plus an interdisciplinary team of professionals, including an opportunity planner. The decision on whether benefits should be granted would be made by this committee. The committee would replace the Medical Advisory Board and the current system whereby that board gives advice to the Director, who (at least technically) makes the final decision.

We do not envision the Professional Review Committee holding hearings. However, the applicant and his or her advocate should be permitted to attend the deliberations of the committee. The committee should be able to request further medical or other information and should have available to it the resources to pay for such information. The applicant would, of course, have full access to all material on which the committee based its decision. If the committee decided not to grant benefits to the applicant, the decision could be appealed to the Social Assistance Review Board.

RECOMMENDATION 138

A new procedure should be introduced to determine eligibility for the proposed handicapped allowance. It should incorporate the following elements:

- **A physician's report and a lay report should be submitted to a medical adjudicator.**
- **The adjudicator should have authority to grant the allowance. If the adjudicator decides not to grant the allowance, the application should be reviewed by a multidisciplinary Professional Review Committee.**
- **The applicant and an advocate should be permitted to attend the deliberations of the Professional Review Committee.**
- **Physicians should be required to complete medical reports for applicants and should be paid for doing so. Appropriate civil protection should be granted to those who complete such reports.**
- **All reports and other information should be made available to the applicant.**
- **The Medical Advisory Board should be abolished.**

At present, many recipients are required to resubmit medical information periodically. In some situations this is appropriate. However, when a person has a permanent condition, it does not seem reasonable that attending physicians should be required in all cases to resubmit the same information. Instead, we suggest that when the adjudicator or the committee makes a positive determination, this should include a decision on when, if ever, a further report is required.

Multicultural Communities

As affirmed by our principles, the delivery of social assistance to multicultural communities is an extremely important issue that, as yet, has not been dealt with adequately by the system. Many have written about the need to recognize unique ethnic or cultural factors in the delivery of services.[6] It is essential to recognize different cultural values in order to ensure equality in the services that are provided, and to demonstrate respect for the cultural values of various communities.

We were advised by many during the consultation process that the present delivery system lacks the skills and understanding to deal effectively with a multicultural society.[7] The French Language Services Act of 1986 has strengthened Ontario's bilingual capacity, yet full services in French are still far from a reality in those parts of the province where this is essential. The same problem affects other linguistic minorities. Service is often delayed and may be denied where the potential recipient is unable to speak English and an interpreter is not available.

Beyond this fundamental obstacle, the way services are offered displays a general lack of cultural sensitivity. Severe discomfort is felt by many members of various ethnic communities when applying for social assistance. The problem is greatest for women, particularly those who seek help when attempting to leave unacceptable family situations.

Many recommendations contained elsewhere in this report are designed to assist multicultural communities. Chapter 4 contains proposals to assist sponsored immigrants and refugees in obtaining access to social assistance. Changes are suggested to existing asset rules to recognize cultural uniqueness. In Chapter 5, we propose the use of agencies that serve specific ethnic minorities to deliver opportunity planning. In Chapter 8, we recommend that any municipality seeking to deliver social assistance must comply with the requirements of the French Language Services Act. In Chapter 9, it is suggested that new legislation promote the establishment of a unique, Native-designed and Native-controlled social assistance system. A number of other measures would further improve the delivery system.

RECOMMENDATION 139

The government should place a high priority on ensuring that the forms of assistance provided by the social assistance system are available in French across the province.

RECOMMENDATION 140

Ethno-cultural representation should be increased on boards and committees within the social assistance system. Additional staff

should be recruited from multicultural communities for all levels of the system; front-line staff should be recruited from various ethnic communities to work with non-English-speaking applicants where numbers warrant.

RECOMMENDATION 141

Resources should be made available to permit access to trained interpreters as required. More information about the social assistance system should be provided in the languages of clients.

RECOMMENDATION 142

Training programs should be established for staff that include a focus upon race relations and cross-cultural studies.

RECOMMENDATION 143

Multicultural organizations should be retained to provide information, advocacy, referral services, community education, consultation on specific cases, assessments, and counselling.

RECOMMENDATION 144

Present methods of assessment should be reviewed to ensure that they are culturally appropriate.

Trustees and Third-Party Payments

Under the General Welfare Assistance Act, payments may be made to a third party against the wishes of a competent recipient. This may occur when a recipient routinely mishandles his or her finances. Clients who do not meet their obligations often become known in the community and begin to have trouble securing accommodation or small amounts of credit in local stores. Landlords and store proprietors who want assurances that payments will be made approach the local social services departments with the ultimatum that their services will be withheld unless payment is made directly to them. Although administrators usually try to make such decisions in the best interests of the client and his or her children, no measures exist to protect recipients from a wrongful exercise of discretion.

Under the Family Benefits Act, an allowance cannot be paid to a third party against the wishes of a recipient, with the exception of direct payment to a public housing authority. A recipient may choose to have payments sent to a third party under both laws.

We have concluded that in some circumstances, payments to a third party against a recipient's wishes are appropriate, to protect recipients from decisions that could cause extensive hardship – for example, the loss of accommodation. However, there is a need for appropriate protections and procedural safeguards.

RECOMMENDATION 145

The capacity to make social assistance payments to third parties should be retained, subject to the following safeguards:

- **The criteria for third-party payments should be established in legislation. At a minimum, clear evidence that a client has in the past mismanaged or is likely in the future to mismanage his or her finances should be required.**
- **Decisions to authorize third-party payments should be subject to periodic review.**
- **Decisions to pay to a third party should be appealable to the Social Assistance Review Board.**
- **When a recipient wishes to have third-party payments terminated, the onus should be on those who wish to continue them to justify the necessity of doing so.**

Under the current system, there are approximately 17,000 appointed trustees for FBA and GWA clients. There are no criteria regarding the competence of trustees, and the criteria regarding when trustees should be appointed are vague. In addition, there is no routine monitoring of trustees. While many trustees do an excellent job, paying for "extras" out of their own pockets and providing non-monetary support, some abuse the trust placed in them.

Criteria should be adopted for the appointment of trustees. Although it is difficult to find people who are willing to act as trustees, this does not obviate the need for basic qualifications and procedural protections. In addition, when it appears that a trustee has been abusing his or her trust, there must be provision for the removal of the trustee.

RECOMMENDATION 146

Qualifications and procedures should be established for the appointment of trustees. These should include a requirement of ongoing monitoring of the trustee's performance and a procedure for the removal of any trustee who has acted contrary to the interests of the recipient.

The General Welfare Assistance Act permits GWA payments to be attached by a court. This is not permitted by the Family Benefits Act. In fact, we could not discover any recent cases where assistance payments have been attached. Nevertheless, as a matter of principle, we do not believe that it is in any way appropriate that social assistance payments be attached. It is particularly important to ensure that benefits are not attachable if payments to third parties are still permitted.

RECOMMENDATION 147

Attachment of social assistance payments should be prohibited by legislation.

We see no reason to establish a separate process for payments to public housing authorities. The same procedures should apply here as apply to other third parties.

Procedural Fairness

A major fault of the present system is the lack of procedural fairness, both prior to appeals and during appeals. At present, no general effort is being made to formulate consistent procedures that ensure fairness for all applicants and recipients. Some offices have developed their own rules, but many have not formulated policies at all – applicants are handled in accordance with the individual worker's perception of fairness. While procedural measures cannot, of course, solve all problems in the system, they can be effective in creating the appearance and the reality of fair treatment. Such procedures need not make the system excessively legalistic and can make the process easier for both recipients and caseworkers.

We do not wish to see a system develop that is paralysed by legal rules and procedures, nor one that reinforces the adversarial nature of the process. Therefore, procedures must be found that are informal and flexible enough to respond to individual need, while at the same time providing definite rules that foster consistency. Precious resources must not be wasted on unnecessary procedures, particularly at the appeal level. It is preferable to have a system where fairness and natural justice are applied in the first instance, thereby avoiding more extensive processes at later stages. A brief received from the Southwest and Toronto Legal Clinics states:

> Once a jurisdiction has a social assistance system in place, the desirable result is that those defined as eligible for assistance receive it with a minimum of the social assistance funding going to the administration of the system and a maximum of the funding going towards the benefits available to the recipients. If the system is administered in an even-handed and predictable way, there will be less need for appeals which may consume more of the system's resources.[8]

Examinations of decision-making processes have established four major goals in decision-making: accuracy, speed and efficiency, fairness, and the development of public confidence in the system.[9] Appropriate procedures are crucial in ensuring that these goals are met. To a great extent, the required procedures conform to the basic requirements of administrative law. What is surprising is that Ontario's social assistance system has managed to avoid them for so long.

Decisions Affecting Benefits

Currently, under the General Welfare Assistance Act, no notice need be given to a client of any proposed refusal, cancellation, suspension, or reduction of benefits. The Family Benefits Act instructs the Director to give notice of a proposed refusal, suspension, or cancellation. Unfortunately, current FBA notices do not provide the client with any meaningful reasons for the Director's decision. In our view, such inadequate notice is as bad as no notice at all. It is a fundamental principle of natural justice that a person should know the case against him or her in order that proper preparation can be made to meet the case.

When an applicant has been refused assistance, when it is proposed that a recipient's benefits be cancelled, reduced, or suspended, or in any other appealable matter, there should be an opportunity for a swift, informal, internal review. The review should be conducted by a person who has not previously been involved in the disputed issue. This informal review should be an opportunity for the client to discuss the issues face to face with someone who is able to take a fresh look at the situation, and to weed out misunderstandings and clarify matters that are not serious legal problems and should not have to go to the Social Assistance Review Board. Clients should have full access to files and should be permitted to bring advocates to this internal review.

Hardship clearly results when interim benefits are not provided to a client following an adverse decision and pending an appeal to the Social Assistance Review Board. At present, the client must apply to the board for such benefits. It appears, however, that many clients are not even informed of the availability of interim benefits, and that far fewer clients apply for benefits than actually require them. In the committee's view, if the person appealing is already receiving benefits, those benefits should not be terminated until a final decision is rendered by the Social Assistance Review Board.

The situation is different if a person is refused benefits at the initial application stage, after being judged ineligible. If recommendations made elsewhere in this report are accepted, people will be judged ineligible for benefits solely on the basis that they are not in need. Applicants will no longer, for example, be considered ineligible because they have no place of residence. Given these changes, we do not believe that an individual who has been refused benefits at the initial application stage should be granted benefits as a right pending an appeal. The client should be told how to apply to the Social Assistance Review Board for interim benefits and should be assisted in making the application. The board's review of such applications should be swift. Whether interim benefits are granted should depend solely on whether the applicant is in financial need pending the appeal.

RECOMMENDATION 148

Whenever it is proposed that benefits be refused, cancelled, suspended, or reduced, or whenever any other appealable decision is made, the applicant or recipient should receive adequate notice providing meaningful reasons.

RECOMMENDATION 149

Prior to an appeal to the Social Assistance Review Board, an informal, internal review should be conducted by someone who was not involved in the disputed decision and does not supervise the person who made it. The client should be permitted to bring an advocate to the review, and the client or advocate should have full file access.

RECOMMENDATION 150

If it is proposed that benefits of a recipient be reduced, suspended, or cancelled, and the recipient appeals, benefits should automatically continue until a final decision is rendered by the Social Assistance Review Board.

RECOMMENDATION 151

If a person has been refused benefits at the initial application stage, interim benefits should be granted if an application to the Social Assistance Review Board reveals that the person would suffer financial hardship pending the appeal.

Appeals to the Social Assistance Review Board

The Social Assistance Review Board has long been severely criticized for both the manner in which it makes decisions and the content of those decisions. Among its more vocal critics has been the Social Assistance Review Board Study Group, which consists of lawyers and community legal workers who appear regularly before the board. For nearly a decade, this group has monitored the board, met with the government, and prepared briefs setting out problems with the board and suggesting solutions. Until recently, virtually all the group's criticisms have been ignored.

Similarly, over the years, the Divisional Court has sharply criticized the procedures and findings of the board, but no real changes in the board's procedures or decision-making have resulted. Issues that have been dealt with in the Divisional Court and for which the board has been criticized include the use of evidence to which the appellant did not have access,[10] continued misinterpretation of legal issues,[11] errors in dealing with the credibility of witnesses and of evidence,[12] and a general attitude that does not give the benefit of the doubt to those vulnerable citizens appearing before it.[13]

The government has taken some steps to improve the Social Assistance Review Board. While our review was being conducted, the government received a report concerning the board's structure and operations.[14] The government has already begun to implement some of the recommendations of that report. Although this is a good start, the report does not deal with substantive matters concerning the board, but rather with more efficient ways of operating it.

Appeals must also seek to meet the four goals of accuracy, speed and efficiency, fairness, and the inspiration of public confidence in the system. The Social Assistance Review Board makes decisions regarding a most serious matter – whether people have access to the necessities of life. We believe that such decisions demand a full panoply of legal procedures, including a formal hearing that approximates the judicial model. While we appreciate the good motives of those who advocate more informal appeals that do not insist on legal procedures, we believe that the possible results are simply too serious to allow for such informality. The board is a tribunal established pursuant to the Statutory Powers Procedure Act and should always be scrupulous about the application of the legal procedures called for by that Act, other statutes, and the common law.

Because there are so many continuing problems with the Social Assistance Review Board, the committee believes that it is not enough simply to recommend that the rules of natural justice be followed: we will make specific recommendations concerning appeals. Most of these recommendations are not new – indeed, some of them will seem very basic. Most should have been introduced by the government and the board many years ago.[15]

Board Resources and Jurisdiction

Membership and Training Over the years, there have been complaints that people were not appointed to the board on the basis of their qualifications for the job, that training for board members was inadequate, and that members often displayed a lack of understanding about proper administrative procedures. As a result of the recent study, it appears that steps are being taken to improve the quality of board membership, and the government should be commended for this. The most recent appointments were made after wide advertising and a lengthy interview process. The new members received a four-week training session before beginning work.

Appealable Decisions At present, many decisions that are of crucial importance to clients, particularly those relating to non-mandatory benefits, are not appealable. As proposed elsewhere in this report, many items that are now non-mandatory should become part of the basic allowance or be treated as mandatory special needs. Therefore, in the long term, only decisions regarding the mandatory aspects of the allowance need be appealable to the Social Assistance Review Board. In the meantime, decisions regarding non-mandatory benefits should be appealable. At issue would be whether the decision had been made in accordance with whatever criteria exist, and whether like cases are being treated alike by those making the decisions. In addition, if a person is required to participate in an opportunity plan, and failure to participate or inadequate participation results in a proposal to reduce his or her benefits, then the merits of the opportunity plan itself would be appealable as part of the appeal against the proposed benefit reduction.

Board Counsel The board consists primarily of lay persons without legal training. One of the major support systems that the board therefore needs is an in-house legal unit that can offer timely and consistent advice. The duties of board counsel would include the provision of ongoing training for board members, legal interpretation, assistance with policy development, attendance at hearings as deemed necessary, and research. The Workers' Compensation Appeals Tribunal (established in October 1985 to hear appeals under the Workers' Compensation Act) has a substantial in-house counsel office that provides such assistance. We believe that social assistance matters are important enough that they require nothing less.

RECOMMENDATION 152

Members of the Social Assistance Review Board should be highly qualified and should undergo extensive and ongoing training in order to carry out their duties properly.

RECOMMENDATION 153

The right of appeal should extend to decisions regarding those non-mandatory benefits that ultimately will form part of the basic allowance. Once those benefits become mandatory, the right of appeal should be limited to decisions regarding the basic allowance.

RECOMMENDATION 154

When failure to participate in an opportunity plan leads to a proposed reduction in benefits, the merits of the plan should be appealable as part of the review of the proposed reduction.

RECOMMENDATION 155

The board should immediately establish an in-house counsel office.

BOARD PROCEDURES

Attitude The way in which the right to a fair hearing is presented profoundly influences whether an individual decides to take advantage of such a right. One commentator has written:

> [The right to a fair hearing] may be presented in such a way as to make [the claimant] feel that he is unquestionably ineligible and that he has no right to make use of this resource. Or it may be presented so that we convey an evaluation of him as a person with sufficient judgment and trustworthiness to have an opinion which merits consideration. In the latter instance, he will be inclined to use the right realistically, whereas in the former...he may give up in spite of his conviction that he has not had just treatment.[16]

Clients should feel comfortable and respected when in Social Assistance Review Board offices. Staff must be trained to provide information to clients in a helpful manner, and to provide as much information as possible. Hearings should be conducted in an open, non-threatening manner that demonstrates respect for the applicant or recipient.

Hearing Panels The legislation currently provides that one or more members of the board may conduct a hearing.[17] In fact, the practice has been for two or three members to conduct hearings. We believe that the most prudent procedure, particularly as the board begins implementing improvements, is for three board members to hear each case. At some point in the future, once the quality of decision-making has improved, it should be possible for panel members to hear cases alone.

Disclosure An open system with full disclosure of files is particularly important on appeal. While the appellant currently has access to the Director's written submission, the Director is not obliged to include all the information upon which he or she is basing the submission. The client frequently does not have access to all the materials that would allow for adequate preparation of the case.

Summonses There has been some question regarding the issuing of summonses requiring witnesses to appear before the board. We believe that it is crucial for all necessary evidence to be before the board, and that it is appropriate for the board to issue summonses as requested by the parties and at its own instigation.

Time Limits Because of our strong belief in the importance of providing benefits to a client until a final decision is rendered by the board, we accept that restricted time limits are necessary.

RECOMMENDATION 156

Procedures at the Social Assistance Review Board, both before and during hearings, should be non-threatening and should demonstrate respect for the client.

RECOMMENDATION 157

Three board members should hear each case. This number should be reconsidered as the quality of hearings improves.

RECOMMENDATION 158

The appellant should have full access to all materials contained in the file held by the ministry or municipality as well as full access to the board file on the matter.

RECOMMENDATION 159

The board should issue summonses as requested by the parties as well as on its own volition.

RECOMMENDATION 160

If an applicant or recipient has received notice of an intention to refuse, cancel, suspend, or reduce benefits, he or she should have 15 days to request an internal review. The internal review should be conducted and a decision rendered within 10 days after the review is requested. Following receipt of the decision made at the internal review, the applicant or recipient should have a further 15 days in which to launch an appeal to the board. If the client does not take any of these steps in a timely fashion, then interim benefits would cease. However, there should be provision for extending the time periods if circumstances warrant, in which case interim benefits would be reinstated.

BOARD HEARINGS

Legal Representation Earlier in this chapter, we recommended that community legal clinics and self-help groups be expanded and that specialized training be provided for individual lawyers wishing to handle cases. We believe that it is particularly important for an appellant to have legal representation at a hearing before the Social Assistance Review Board. The issues being considered by the board are complex legal ones that relate to the necessities of life. Legal representatives can both assist the client and help the board to clarify issues. As Table 1 illustrates, an appellant with legal representation has approximately twice as good a chance of being successful on appeal as an appellant who appears before the board either alone or with someone without legal training. The chance of success is even lower if the board proceeds in the appellant's absence.

From November 15, 1984, to May 10, 1985, the Social Assistance Review Board Study Group operated a pilot project that provided duty counsel at the board's Toronto office. The project found that 76% of appellants had received no legal advice prior to the hearing, 73% were not aware of the existence of free legal advice, and 56% said that they would make use of free legal assistance if it were available.[18] While duty counsel can never be an adequate means of providing full legal representation, we believe that a permanent duty counsel program should be established to assist those clients who attend hearings without legal representation. We understand that steps are already being taken to implement permanent duty counsel at the board's Toronto office.

Record of Hearing The current legislation allows for evidence to be recorded by means of notes taken by board members or under their supervision, or in another manner directed by members.[19] When members simply take their own notes, there has generally not been sufficient information available to an appellate court to enable it to determine what occurred at the board level. In one case, the Divisional Court expressed surprise at the fact that the board's notice of decision summarized evidence in greater detail than was done in the record of hearing prepared by a board member.[20] We believe that a complete record of evidence is essential and that the benefits outweigh the cost of creating such a record.

Interpreters If an appellant is not able to understand what is occurring, the right to a fair hearing is being denied.

Onus of Proof Technically, the appellant is only required to respond to the prima facie case presented by the respondent. In practice, this has meant that when it is alleged that the client is no longer eligible for benefits, the onus shifts very easily to the appellant to prove that he or she *is* still eligible.

Evidence Another major problem is the board's receipt and evaluation of evidence. At issue are the type of evidence that the legislation has permitted to be placed before the board and the board's ability to assess that evidence. The legislation has allowed the Director to make his or her submission in writing. This submission is often a col-

Table 1. Legal Representation in Social Assistance Review Board Appeals

	Appeals With Lawyer or Legal Clinic			Appeals Without Lawyer or Legal Clinic		
	Total Appeals	Successful Appeals	Success Rate (%)	Total Appeals	Successful Appeals	Success Rate (%)
FISCAL YEAR						
1984/85	396	105	26.5	4,481	707	15.8
1985/86	434	162	37.3	3,366	522	15.5
1986/87	451	227	50.3	2,763	684	24.8

Source: Joanne Leatch, "Procedural Fairness in the Social Assistance System," August 1987 (SARC background paper, August 1987), p. 48. Statistics supplied by the Social Assistance Review Board.

lection of second- and third-hand material, the credibility of which the appellant cannot test. The board has shown a tendency to accept the Director's untested submission as truth, even in preference to affidavits or oral evidence from the appellant. The Divisional Court has commented upon this in several cases.[21]

We considered various ways of resolving this problem. One option is to take away the Director's right to make submissions in writing; however, this was rejected as being too onerous and unwieldy. It would simply not be practical in many instances to have someone present to testify. The answer more properly lies in providing appropriate training to board members. The board must learn how to assess the proper weight of written evidence, hearsay evidence, and sworn oral testimony. We believe that if proper weight were given, the Director's submission might well be rejected in numerous cases. This should lead the ministry and municipalities to conclude that, in some instances, it would be more prudent for them to ensure that someone is available to give oral testimony. If the Director does choose to present a written submission, that submission should be distributed to the parties at least seven days prior to the hearing.

Open or Closed Hearings At present, the legislation specifically provides that all board hearings are to be held in private, regardless of the wishes of the client. In our view, this approach is too extreme and does not allow clients appropriate choice. Even child welfare hearings, which are extremely sensitive matters, can sometimes be held in public.[22] Whether a proceeding is open or closed should be decided by the client.

RECOMMENDATION 161

Appellants should be entitled to legal representation before the Social Assistance Review Board. Measures should be adopted to

ensure that appellants are made aware of their right to legal representation at the time the appeal is initiated. Duty counsel should be available at board hearings in larger communities. Smaller communities should have toll-free access to a permanent duty counsel office in Toronto.

RECOMMENDATION 162

An automatic adjournment should be granted if an appellant wishes to obtain legal representation. If a hearing date has already been set with the concurrence of the appellant's legal representative, then the board should grant an adjournment only in exceptional circumstances.

RECOMMENDATION 163

The board should explain to those appellants proceeding on their own that free legal services are available, as well as the possible ramifications of proceeding without legal representation.

RECOMMENDATION 164

Measures should be adopted to ensure that transcripts can be obtained after every hearing.

RECOMMENDATION 165

The board should be able to conduct hearings in French when requested to do so.

RECOMMENDATION 166

The board should have interpreters available as required for speakers of languages other than French and English. The board should attempt to learn prior to a hearing whether an interpreter will be needed.

RECOMMENDATION 167

The onus should be on the social assistance authority to prove the case against the appellant if it is proposed that benefits be reduced, suspended, or terminated. If benefits have been refused on initial application, the onus should remain on the appellant to meet the respondent's prima facie case.

RECOMMENDATION 168

Training of board members should pay particular attention to evidence, the weight given to written submissions, and the determination of credibility. The legislation should continue to allow the Director or welfare administrator to present his or her case by means of a written submission. A copy of any such submission should be distributed to the parties at least seven days prior to the hearing.

RECOMMENDATION 169

Hearings before the board should be held in private unless the client requests a public hearing.

Board Decisions

Orders and Timing It must be extremely clear what orders the Social Assistance Review Board is permitted to make and how those orders are timed. If our recommendation is followed and many appellants will be receiving benefits until the board renders its decision, it is important that decisions be released in a timely fashion.

Decision-making It is a fundamental rule of natural justice that the person who hears the case must make the decision. While it is certainly open to the board to meet as a group for training purposes and to formulate policies, it is inappropriate for anyone other than those panel members who heard a case either to decide the case or to write the reasons for the decision. Past practices of the board have sometimes created the impression that those hearing the case may not have made the final decision alone.

Reasons for Decision Currently the board is required to release a notice of decision in each case, containing the principal findings of fact and the conclusions based thereon.[23] In addition, the Statutory Powers Procedure Act provides that reasons should be given if requested.[24] Unless reasons are requested, however, the board is not required to give them, and adequate reasons have not always been forthcoming from the board. Reasons make decisions more understandable to the parties involved and give appellants the sense that their difficulties have been taken seriously. A decision given without reasons also denies the client the means to decide whether to appeal further.

By requiring a tribunal to consider all relevant factors and by acting as a check on discretion, reasons assist in the development of consistent decision-making. Although tribunals are not strictly bound by their prior decisions, it is desirable that like decisions be treated in a like manner, and that people be generally aware of the policy directions of the board. Reasons encourage public confidence in the process and assist the court in exercising its supervisory function through appeal or judicial review.

Variation or Reconsideration Hearings We do not believe that the board should conduct second hearings on the same matter unless exceptional circumstances exist – for example, when new evidence has become available or there are good reasons why the evidence was not presented at the first hearing. Reconsideration hearings should not be used as substitutes for appeals.

Appeals of Board Decisions We believe it is premature to limit the present right of appeal. Currently, appeals of board decisions are heard by the Divisional Court. This has advantages and disadvantages. It does take a long time for a case to be heard in Divisional Court, and its centralized nature means that people living in more remote parts of the province have a more difficult time appealing. On the other hand, the Divisional Court is where judicial reviews are held, and it can be convenient to have an appeal and a judicial review held in the same forum. Recently, Mr. Justice Thomas Zuber released his study on the court system in Ontario.[25] If his proposals are implemented, it may become possible to appeal to a court that has a broad jurisdiction but is also more accessible outside of Toronto.

Publication If the board is to perform an appropriate role, it is essential that it interpret the legislation in a manner that guides the overall social assistance system. Important cases that establish social assistance policy should be brought before it, and should receive the attention they deserve. One test of the board's effectiveness is its ability to shape decision-making across the system in response to its own decisions. One way to accomplish this is by ensuring that its decisions are widely available.

RECOMMENDATION 170

The board should have the authority to affirm, rescind, or vary a decision made by the Director. A matter should not be referred back to the Director in order for the Director to make the decision, but only in order for the Director to carry out an order issued by the board. The Director should receive copies of board decisions concerning his or her department.

RECOMMENDATION 171

The board should issue decisions within 15 days of the completion of the hearing, with extensions permitted in exceptional cases.

RECOMMENDATION 172

Only those panel members who have actually heard a case should make the decision, and one of those panel members should write the reasons for the decision.

RECOMMENDATION 173

The board should be required to give reasons for its decisions.

RECOMMENDATION 174

If a party wants a reconsideration hearing, he or she should be required to apply to the board for leave. The board should grant leave only in exceptional circumstances. If leave is granted, the hearing should be conducted as a new hearing.

RECOMMENDATION 175

Board decisions should be published and indexed, while maintaining appropriate confidentiality. In addition, the board should establish and publish its procedures.

We are concerned that changes to the Social Assistance Review Board might occur in a piecemeal fashion. Even though some positive changes have already been made, further reforms remain an urgent matter. Unless major additional changes are made to the appeals system of the board, it will remain a natural and appropriate target for severe criticism. In establishing the Workers' Compensation Appeals Tribunal, the government has shown the willingness to provide the necessary funds to develop a sophisticated, fair process for hearing appeals in the area of workers' compensation. Surely clients in the social assistance system deserve the same.

Technology

In recent decades, our entire society has witnessed the enormous potential of computer technology. The costs of technological improvements are declining and the technology itself is improving at a lightning pace. We are all becoming more accustomed to automation and its advantages. Technology can greatly assist in meeting our objectives, although we must not let it dictate what happens in the social assistance system. In other words, the system should use technology in order to achieve its objectives, rather than allowing technology to dictate or alter these objectives.

Over the last 15 years, five independent computer systems have been used to support the FBA and GWA programs. The Ontario Allowance Program (ONTAP) was used by FBA from 1974 to 1988. The Overpayment and Follow-up System (ORFUS) for inactive FBA files with outstanding overpayments was developed in 1975. In 1985, it was replaced by the Comprehensive Income Maintenance System (CIMS). The Municipal Assistance Information Network (MAIN) was developed in 1979 and currently supports most municipalities throughout the province, representing 90% of the total GWA caseload. The Client Recording System (CRS) was introduced in 1981 to provide a master index of FBA recipients to local offices under a decentralized delivery system.

CIMS was developed to integrate and replace the various other systems – that is, MAIN, ONTAP, ORFUS, and CRS. CIMS currently supports the administration of social assistance legislation. It is one of the largest, most complex computer systems in the government, with the ability to store all client data along with a seven-year master index. This complexity creates some difficulties. Of its approximately one million lines of computer code, about 30% are interdependent: in other words, when one variable is changed, many other items must also be changed. This is time-consuming and increases the potential for errors. In addition, even though CIMS has extensive historical databases, there is a reluctance to eliminate manual files and similar data in paper form. The system has an overnight turnaround time, which means that one cannot plug information into the system and receive an immediate response. Because CIMS is directed by numerous pieces of legislation, as well as by ministry policy, it is currently complicated, but it could be redesigned and simplified if the legislation itself were simpler.

There are numerous problems with the current delivery system that might be relieved through the effective use of technology. For example, basic information is provided to clients – such as the reasons they are eligible or not eligible, what is provided through the basic program, and how an allowance is calculated – but not always in an easily understood format. Clients do not know how taking a specific job might affect their allowances. They are frequently unaware of their responsibilities for reporting changes in circumstances and of how other variables will affect their eligibility or level of entitlement. They are unable to learn of other related social service programs and how to obtain the benefits of such programs. An appropriate use of technology could help staff provide clients with all this information.

Indeed, as we have pointed out in Chapter 4, the illogical and complex rules of the current system make it extremely difficult for even the best staff to decipher who is eligible for what. Staff are burdened with the necessity of performing time-consuming and intrusive tasks in order to make decisions on eligibility. They must process long, complicated applications for assistance and spend much of their time in routine home visits and reviews. Policy and procedural guidelines are communicated in paper form, are time-consuming to amend, and frequently are not communicated to staff in a timely fashion. In general, the flow of information between the field and head office is slow, which results in a lack of meaningful and timely input from the field regarding policy and legislation changes and in inaccurate costing of policy and program changes.

In addition to material stored in the computer, the system continues to maintain client files in paper form for a variety of legal and practical reasons. This double record-keeping adds to caseworkers' overall workload.

We believe that certain goals should be borne in mind as the government seeks to improve delivery through the use of technology. Most importantly, any technology must be accessible and seek to provide individual services. Because the ministry is essentially in the "people" business, the system must never become technologically driven and faceless. Technological reform and legislative reform go hand in hand. For example, fewer categories of recipients will mean that a simpler technological system can be devised. We believe that the people examining the possibilities of technology should attempt to be as creative as possible in its use, while exercising some caution. For example, pilot or feasibility studies must be conducted before new systems are widely implemented. Technology can be used to avoid duplication: with state-of-the-art technology, it should be possible to eliminate paper files. Automation should be used to help create a delivery system that is efficient, accountable, and consistent throughout the province. Technology can also assist in supporting independence for disabled and elderly persons, which coincides with our objective of greater autonomy.

Technological Opportunities for Clients

With appropriate technology, clients can get better information about social assistance. Payments to recipients could be made electronically. Technology can also provide a range of employment supports.

Client Inquiry Machines The ministry has an obligation to provide potential clients with information about social assistance programs. The current complexity of the system means that brochures are not particularly helpful, and face-to-face interviews can be embarrassing and hard to arrange. Computer terminals could be made available to individuals who want information about a program and its related services. Such machines could be located in field offices and used on a walk-in basis. They could be designed to be as easy to use as possible. Towards the end of the information session, the individual could be given the option of entering information in order to proceed to the eligibility assessment stage. The application itself could be processed in this manner if the applicant so wished.

Telephone Information Services Clients frequently telephone with the same questions, such as how social assistance T4 slips will be distributed and how cheques will be delivered during a mail strike. Service to clients is slowed when field workers are tied up with such routine matters. The possible use of automatic telephone-answering equipment should be examined. Incoming calls could be intercepted with recorded announcements that give out frequently requested information. On request, calls could be switched to a caseworker.

Voices

Metropolitan Toronto Community Services Department

Last, but not least, we would like to suggest, that any revamping of Social Assistance legislation include the ultimate minimization of the need for documentation. Historically, this paper burden has seriously hampered even the most dedicated in providing adequate client service in times of fiscal restraint.

County of Lanark Social Services

The system has been added to, and changed and altered with, to the point that it has become very complex for clients, politicians and people employed in the structure. The terms FBA, GWA, WIN, Supplementary Aid, Special Assistance, 100%, ESI, Homemakers, Home for the Aged, Day Care, ERO, PSW, Integrated Records, CRS, MAIN, ONTAP, CIMS, ORFUS, RBC, to mention only a portion, are too many in number and too complex in nature.

Customized Client Budgets Technology could also be used to assist clients who wish to learn more about money management. If the client wanted this type of assistance, a computer-based program could be employed to generate and print out a household budget tailored to individual needs and circumstances.

"Better Off Working" Budgets At present, workers have difficulty calculating whether a recipient would be better off taking a particular job, and by how much he or she would benefit. Workers must consider numerous factors, including income tax, work expenses, pension and unemployment insurance premiums, and WIN entitlements. Technology could be used to calculate the net disposable income that would result from employment. The worker could key in the variables, such as the number and ages of the recipient's children, rent, the number of adults in the benefit unit, and wage levels; then a printed summary could be provided for the recipient to study. This service could be combined with customized client budgets.

Personalized Entitlement Schedules Clients frequently do not understand the reasons for their eligibility or ineligibility, the components of their allowance, and how payments have been calculated. Currently, printed explanations are not customized to suit the client's specific situation and are confusing. We have stressed the importance of giving meaningful reasons for the proposed refusal, cancellation, reduction, or suspension of benefits. With the help of technology, when a client is accepted into a program, when he or she is declared ineligible for assistance, or when entitlement changes in some way, a customized and personalized notice of ineligibility or schedule of entitlement could be printed and mailed.

Electronic Funds Transfers At present, some clients have difficulty cashing cheques, often because they do not have bank accounts. The work involved in producing cheques, combined with an unreliable mail service, means that cheques must be finalized eight to ten days before they are due. This results in a large number of overpayments, underpayments, and cheques sent to incorrect addresses. Currently, the replacement of lost and late cheques is a major drain on staff time.

Electronic funds transfers could be accomplished through the use of direct deposits or "smart" cards. CIMS already has the capacity to handle bank account data on an individual basis at the discretion of the client; clients could also opt in and out of the program at will. Some banks strongly urged the use of direct deposits, as the Region of Peel is currently doing. People who favour direct deposits believe that they preserve client dignity and foster self-determination. Recipients learn about banking procedures, which can encourage responsibility and familiarity with mainstream institutions. Direct deposits would reduce or eliminate lost and stolen cheques, as well as discouraging the carrying of large amounts of cash. From an administrative point of view, direct deposits are time-saving and cost-effective, and they could lead to the elimination of cheque-discounting operations.

Those who argue against direct deposits contend that they constitute another erosion of recipients' tenuous rights. Concern is expressed that, while government might begin direct deposits as a voluntary measure, they might soon become mandatory. Potential problems include the possibility of money being deposited into the wrong account and the chance that the bank account could be seized by creditors. Critics view direct deposits as reducing the individual's control over his or her own finances.

On balance, we believe that direct deposits should be offered, but should remain the client's option. With direct deposits, the bank account would operate normally and the bank would decide whether to issue the client an automatic teller machine (ATM) card. If direct deposits are introduced, legislation should ensure that benefits cannot be attached by creditors.

Another method of direct deposit would be to issue clients "smart" cards, with which they could obtain funds from a teller or an automatic teller machine. In this case, however, the funds would be held by the province or municipality. Cash would be paid out immediately and the province or municipality would reimburse the institution on the next business day. One concern with this approach is that client confidentiality could be breached; whereas a regular ATM card only contains an identification code that permits entry into the bank's system, the "smart" card has a built-in memory of its own, which could contain a medical history and benefit entitlement information.

Skills Training A significant number of clients, particularly single parents and physically disabled persons, find it difficult to leave their homes in order to receive skills training for employment. Technology could be used to provide in-the-home training to ready a person for employment in fields such as word processing and computer data entry. The equipment required for such training would depend on the skills being taught but usually would involve a computer-controlled interactive video training station.

Work-at-Home Programs Technology also offers a range of employment opportunities within the home. Examples include telephone sales, answering services, telephone directory assistance, data entry, or word processing services performed at a terminal or microcomputer system.

Technical Aids for Employment Potential employers of disabled persons often lack knowledge of what technical aids or workplace adaptations can be introduced to facilitate performance on the job. A consultation and referral service could link businesses to local resources that identify the full range of technical devices available to assist disabled persons in fulfilling job requirements.

Technological Opportunities for Staff and Administration

Technology can help in gathering client data, in supporting caseworkers, and in program policy and planning.

Portable Computers The current system, whereby data are recorded by hand on complex forms, is wasteful and frustrating, causes fatigue and errors, and creates delays along with mountains of paper. We advocate capturing as much data as possible in electronic form at the earliest opportunity, and eliminating further transcription. Copies could be printed out as required. Portable or lap-top devices for clerks and caseworkers would facilitate this process.

Data Verification Currently, some data supplied by clients – for example, medical, birth, marriage, or death records – must be cross-checked with other sources or verified by documentary proof. An expansion of computerized links with other government databases could reduce the amount of effort required to verify data. This idea would of course have to be carefully studied for possible conflict with the new freedom of information and protection of privacy legislation.

Electronic Updates The current requirement that workers must complete Present Condition reports and Client Information Update reports is time-consuming and focuses more on record-keeping than on helping clients improve their circumstances. A system could be developed to provide customized reports of client eligibility criteria, including the client's reporting responsibilities. Updates could be done as desired.

On-Line CIMS Update Because the current processing occurs overnight, social assistance files are always one day behind; errors cause further delays. With on-line update capabilities, data could be edited immediately and, when acceptable, would instantly update mainframe databases. Although implementing this idea would be costly, its potential benefits suggest that a close examination, with cost-benefit analysis, would be worthwhile.

Local Support Services Database In social assistance offices a database could be maintained that would provide workers and clients with complete information regarding the wide range of vocational services, other income support programs, and other supports available in the local community.

Caseworker Training Current training of caseworkers is left to local initiative and is therefore inconsistent across the province. Through technology, a system could be made available to caseworkers to answer questions and provide instruction about legislation, regulations, policies, procedures, rates, and benefits. Learning would be self-paced. The advantages of a computerized training system would include better and faster training, more knowledgeable caseworkers, and a reduction in costly manuals that are almost instantly out of date.

Caseload Assignment and Monitoring Heavy caseloads cause difficulties in case assignments and delays in scheduling appointments, and compromise the quality of service offered to clients. Technology could provide a local management system that would help balance caseloads, schedule visits, and track caseload performance. The result would be increased productivity, along with greater emphasis on the quality of service.

User-Defined Reporting Currently, reports that are received from central computer systems like ONTAP and CIMS are in a fixed format. Some users, especially in field offices, would prefer different report formats. In addition, some reports would be more usefully provided on demand, rather than on a fixed schedule. A local system could be used to customize and print reports as required.

Policies and Procedures Database Policies and procedures are now issued in paper form. Long lead times are required to get new and revised policies and procedures out to the field. Using technology, policies and procedures could be distributed to field offices in electronic form and made available via computer terminals. Such a system would reduce paper in offices and permit faster updating and distribution of changes.

Costing and Analysis Simulation Models The current analysis of potential rate changes is costly and slow. In fact, the ministry relies on outside groups' analyses of the impact of tax and transfer system changes on the low-income population. Two simulation models could improve this situation. A "micro" model within the income maintenance program would incorporate a representative sample of existing FBA and GWA clients to simulate changes in the rates and benefit structure for costing purposes and for an analysis of who will be better or worse off. A "macro" model would include data about all tax and transfer programs and would include a representative sample of all households to simulate major changes in the programs. Once again, the model would assess costs and analyse who will be better or worse off.

Electronic Mail Because it is slow and cumbersome to obtain information from the field regarding social assistance caseloads, this information is seldom gathered, which leads to less accurate costing of program and policy changes. Similarly, delivery of information to the field is slow, causing field workers to feel isolated from program and policy development. An electronic mail network would facilitate surveys of field staff on policy issues, communicate changes to the field in a timely manner, and allow more effective management of contentious issues.

Implementing New Technology

Here we can do little more than note some of the technological possibilities. A number of key factors must be considered in detail before implementation decisions are made; chief among these are the effects upon clients and staff. Each proposal would need to be analysed in terms of design, costs, time frames, legislative requirements, and the need to involve others in the development process. A full analysis of all of these factors exceeds our capacity and mandate.

RECOMMENDATION 176

Feasibility studies, followed by pilot programs, should be developed and tested in the following areas:

- **the reduction or elimination of manual records management systems;**
- **on-line update and instant cheque production capabilities as possible enhancements to the current system;**
- **voluntary electronic funds transfers through direct bank deposits or "smart" cards;**
- **"better off working" budgets for clients;**
- **personal entitlement schedules for clients; and**
- **systems for staff that monitor workloads and productivity, provide up-to-date information on services, and serve as training and information tools with regard to policies and procedures.**

System Integrity

We have stressed in Chapter 1 the need to demonstrate the integrity of the social assistance system, to show that the overall system does indeed accomplish what it sets out to accomplish. Appropriate steps should be taken to ensure that the program itself is efficient and is not subject to internal abuse. Although these two goals are essential, for many the ultimate test of the system's integrity is its ability to control or eliminate fraud. This is an issue on which people have strong views that are not easily altered. As Table 2 indicates, many believe that there is widespread abuse of social assistance programs. It has been said that, in this area, perception may be more important than reality.[26] Public confidence in the social assistance system is essential, especially when the public is being asked to increase expenditures. The question becomes how to inspire that confidence.

What Is Fraud?

One of the problems in trying to discover what to do about fraud has been the lack of a consistent definition. Some speak of "deliberate" fraud, "inadvertent" fraud, administrative error, and overpayments as if they were all interchangeable and were all fraudulent. This confusion has made it extremely difficult to ascertain how much fraud exists. Some people believe in a hard-line approach – "fraud is fraud" and every instance should be prosecuted according to the letter of the law – while others believe that in a system such as Ontario's, which is complicated and pays inadequate rates, a certain amount of cheating in order to survive must be both expected and tolerated.

In order for statistics to be gathered and properly used, there must be a common understanding of what is meant by fraud throughout the system, not just at the point of criminal prosecution. We believe that fraud should be defined as any intentional abuse of the social assistance system, either by giving false information or by omitting to give information that one is aware is required, if such misrepresentation or omission results in the receipt of benefits that would not have been received if one's true circumstances had been known. Inadvertent error on the part of the client, like error on the part of the issuing authority, must not be considered fraud, but rather overpayment.

RECOMMENDATION 177

Within the social assistance system, fraud should be defined as the intentional provision of false information, or the withholding of information, where such provision or withholding results in the receipt of benefits that would not have been received if the person's true circumstances had been known.

How Much Fraud Occurs?

In a system that pays out large amounts of money in social assistance benefits, it is

Table 2. Public Perceptions of Abuse of Social Assistance

	1980	1981	1982
RESPONDENTS WHO BELIEVE:			
Abuse is widespread	33%	32%	34%
There is some abuse	49	51	51
There are only a few cases, but you hear more about them	15	15	13
There is no abuse, and the criticism is highly exaggerated	1	1	1

Source: Tony Pigott, "Preparing for Change: A Public Communication Plan to Coincide with Changes to the Ontario Social Assistance System," November 1987 (SARC background paper).

difficult to accept that we know so little about how much fraud actually exists. Very little reliable and objective research has been conducted. In 1981, Reuben Hasson attempted to obtain figures for the number of prosecutions and convictions for fraud from each province for the three preceding years. Although Manitoba did not make figures available on the grounds of confidentiality and some provinces did not provide complete data, it appeared at the time that fewer than 400 welfare claimants or recipients were convicted of fraud each year across Canada.[27]

The only other recent study examining the incidence of fraud in a Canadian context was conducted by the Alberta Social Services and Community Health Department in 1979. Its findings suggested that 5.3% of Alberta's provincial public assistance budget was lost to fraud and error. Of that percentage, 4.0% of the loss was due to fraud, 0.9% to administrative error, and 0.4% to client error.[28]

A study prepared for this committee reported that comparable figures for public assistance programs in other provinces are not available, but that other quantitative studies have suggested that the estimated incidence of fraud is relatively low. Reference is also made to an earlier Ontario study that suggested fraud has accounted for approximately 2.59% to 3.66% of total payments.[29]

The main types of fraud seem to be the following:

- unreported "spouse in the house" providing support (approximately 60% of all fraud);
- unreported income (approximately 20% of all fraud); and
- undisclosed liquid assets in excess of allowable limits, unreported changes in circumstances, or cashing duplicate cheques (approximately 20% of all fraud).

The public is often reinforced in the belief that extensive fraud exists by incomplete media reports or government announcements. Information made public during a 1987 mail strike provides a case in point. During the strike, it was reported that large numbers of cheques were not picked up from social assistance offices. The review commit-

Table 3. Cheques Not Picked Up During 1987 Mail Strike

	Total Caseload July 1, 1987	Cheques Not Picked Up by July 7, 1987	Cheques Picked Up After July 7, 1987	Cases Being Investigated
Metro Toronto (GWA)	36,675	5,175 (14.1%)	3,401 (9.3%)	1,774 (4.9%)
Toronto Area (FBA)	40,892	5,665 (13.8%)	5,207 (12.7%)	458 (1.2%)
Waterloo (GWA/FBA)	5,828	420 (7.2%)	258 (4.4%)	162 (2.8%)

Source: Compiled by SARC staff, October 1987.

tee asked three offices to determine why the cheques were not picked up. Table 3 demonstrates that the percentage of cases where possible fraud existed was very small. Further investigation has reduced that percentage significantly.

Some of the reasons given by recipients who picked up their cheques late were the following:

- in hospital
- language difficulties
- confusion about procedures during the mail strike
- did not listen to radio or read papers
- on vacation
- in institutions (for example, chronic care facilities, nursing homes, group homes)

Some clients were able to manage through the relatively short strike because others helped them out; disabled recipients living with their families, for instance, relied on family resources for the duration. Many recipients were getting only a minimum cheque, for $2.50; these were persons being maintained on social assistance in order to receive in-kind benefits, such as payment for prescription drugs. Clients taking skills training programs or participating in WIN receive only a small portion of their income in the form of benefit cheques and were able to get by without the benefits; some of these recipients would have had trouble in any case getting the necessary time off to come into the social assistance office to pick up cheques. Finally, some cheques were held in trust, and some trustees were unable to come to the office.

Measures to Reduce Fraud

One of the first questions the committee had to answer in deciding upon appropriate measures to reduce fraud was the extent to which we were prepared to violate our other stated principles. Measures that are highly intrusive and stigmatizing or that constitute major violations of individual rights are never justifiable. However, lesser interferences with our principles might be justifiable if it is clear that the technique adopted is effective in reducing the amount of fraud. One method of determining what is acceptable is to compare each possible approach with those adopted in other systems that collect or pay out public funds.

Currently, attempts to detect fraud in the social assistance system can be quite intrusive. The province and municipalities employ eligibility review officers (EROs), to whom cases may be referred by an anonymous phone call or by a field worker who has suspicions about a recipient. Unless it is clear that a report constitutes an attempt to harass a client, the ERO investigates the situation. In some offices, the field worker contacts the recipient regarding the complaint and assesses whether there seems to be any basis to it. In other offices, the ERO follows up with employers, landlords, neighbours, and schools before meeting the recipient. Such procedures can be damaging to the individual under investigation, particularly when the allegations turn out to be unfounded.

In 1985 the Ontario Provincial Police Anti-Rackets Squad had 364 cases referred to it under the Family Benefits Act for investigation. Charges were laid in 191 of the cases. In 1983, the ministry referred 303 cases to the OPP, and in 1984, 326 were referred. Cases are generally referred to the police when an ERO concludes that fraudulent activity has taken place. In Ontario, charges for welfare fraud are brought under Section 338 of the Criminal Code. Offenders may also be prosecuted under the Provincial Offences Act. However, this Act is not used often because of the six-month limitation period for prosecutions, and because under it a judge cannot order restitution or compensation.

The federal income tax system operates in quite a different and less intrusive way. In 1986, although 16 million Canadians filed tax returns, only 130 people were prosecuted for tax evasion. Tax evasion charges are laid only when, in the opinion of Revenue Canada and the federal Department of Justice, there is clear evidence of criminal intent to avoid paying substantial taxes on undeclared income. Lesser cheating is dealt with through civil penalties. Indeed, of the 40,000 audits performed each year, only 1,000 are even referred to special investigations units across the country, and only 500 are considered for prosecution. As the figures indicate, only a fraction end up in court.

In the United States, increasing use is being made of technology to detect fraud. Computerized systems are widely used. In a number of states, information in welfare files is matched with that in non-welfare files in order to detect recipients' failure to report information or their failure to report it accurately. Many states use wage-matching systems that detect discrepancies between recipients' reported earnings and earnings data from other sources. Some initial research suggests that this technique has been effective.[30] Various states use data from public and private payrolls, motor vehicle registrations, private bank accounts, and vital statistics records. The Canadian unemployment insurance program has effectively used computerized matching of lists of unemployment insurance recipients against listings from employers to detect and prevent fraudulent overpayments in recent years.[31]

Many of our other recommendations will be instrumental in helping to reduce the incidence of fraud. If our recommendations regarding adequacy, as set out in Chapter 4, are accepted, there will be much less need for people to defraud the system. As long as benefits are inadequate, recipients will be tempted to cheat in whatever way they can, and compassionate social assistance workers will turn a blind eye to extra earnings and assets. The move towards adequacy is the single most important weapon in the fight against fraud in the system.

Currently, people who wish to make the transition from social assistance to independence are frustrated by the low amounts they are permitted to earn before earnings are deducted dollar for dollar from their cheques. The combination of low benefits and low earnings exemptions tempts people to accept money "under the table" and not report all their earnings. In Chapter 4, we advocate increasing the amounts of earnings that people are permitted to retain, which should cut down fraud. Finally, an earlier report of the committee supported the removal of the so-called "spouse in the house" rule. Since the largest amount of fraud in the past was linked to violators of that rule, the overall level of abuse should now decline.

Review Unit

We have no evidence to suggest that fraud in the social assistance system is greater than it is in the tax system or the unemployment insurance system. Nevertheless, because public confidence in the social assistance system depends in large part on the belief that the funds are being well spent and that abuse is being kept to a minimum, we accept that some of the measures adopted to control social assistance fraud may need to be more extensive than they are in other systems.

In its efforts to eliminate income tax fraud, the federal government has established the Compliance, Research, and Investigations Directorate. Much more than a "fraud squad", this unit also works to establish policy regarding appropriate methods and targets of investigation. We believe that Ontario should develop a similar unit to examine the whole area of social assistance fraud, to develop consistent policies and procedures, and to oversee efforts to identify and respond to cases where fraud exists.

The unit should begin by attempting to ascertain the precise extent of fraud in the system. It should also study and develop methods of detecting fraud that are as non-intrusive as possible, bearing in mind that the intent is not to build the whole social assistance system around an assumption of widespread abuse. A starting point might be the testing and evaluation of some of the information exchange systems now used

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Voices

Recipient

The word "welfare" should in fact be changed to "warfare," psychological warfare. To illustrate this, let me tell you about how one day, after returning from a doctor's appointment, I found the worker's card under my door with this message on the back, "If you don't call the office by 5:00 p.m. today, your benefits will be terminated." No appointment had been made by this worker, no phone call received telling me she was visiting, and because I was not at home at the moment she decided to call on me, the small income I was now receiving was now in jeopardy. Naturally, when I called the office, she was not even there and I was left to spend a nerve-wracking night helplessly worrying. When I finally managed to speak to a supervisor the next day, I was informed that this is common practice – they have to be sure. Surely there can be a better method of sifting out those who are milking the system without traumatizing those who are not.

Sudbury Community Legal Clinic

Welfare is not a pot of gold at the end of the rainbow. Rates are too low for that. However, a denial of benefits is well nigh a life threatening situation.

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in the United States. Such experiments should respect and be sanctioned by existing freedom of information and protection of privacy legislation and should be of modest scope until more is known about their effectiveness. Finally, this unit – which should be centralized, with branches operating in various parts of the province – should be responsible for determining when cases should be referred for prosecution to the criminal justice system.

We further believe that it would be valuable to expand the use of the Provincial Offences Act. The limitation period should be expanded to one year, and the legislation should be changed to allow for restitution, compensation, and community service orders.

RECOMMENDATION 178

The province should establish a centralized unit, with appropri-

ate branch offices, having the responsibility to:

- **ascertain the amount of fraud within the social assistance system;**
- **develop, test, and evaluate promising methods of detecting fraud that would be compatible with the principles that should guide the system;**
- **develop publicly stated policies regarding the detection and prosecution of fraud; and**
- **investigate allegations of fraud, determining when such cases should be referred for prosecution.**

OVERPAYMENTS

Apart from fraud, the social assistance system loses money through overpayments to clients. These can be caused by inadvertent error either by the client or by the administration. At present, it can be years before an overpayment is discovered, by which time it may have amounted to many thousands of dollars. When an overpayment is discovered and the client is still receiving benefits, the benefits may be suspended or reduced by a certain amount each month until the government recovers its loss. With the current inadequacy of benefits, even a small monthly deduction can mean great hardship for the recipient.

In our view, if an overpayment is the result of an error on the part of the authority issuing the social assistance, no funds should have to be paid back by the recipient, whether the recipient still receives benefits or has made the transition to independence. We believe that the government should be solely responsible for calculating benefits accurately. An exception would apply only in those situations where the size of the amount or some other circumstance made it clear that there was an overpayment that was recklessly disregarded by the client.

In the case of an overpayment as the result of inadvertent client error, we believe that there should be restrictions on the government's ability to recover funds. If workers are more closely involved with recipients and the system is simpler and clearer, and if recipients are regularly advised of the basis upon which their benefits have been calculated, there should be fewer opportunities for clients to make inadvertent errors. Many clients now make errors because they do not know what their responsibilities are. Recovery should be limited to overpayments made over a finite period of time; we suggest a time limit of no more than 12 months. It should be stressed that this limitation would not apply when the client is aware of the overpayment and simply chooses to let it continue. The government should still be able to propose deducting a certain amount from each cheque received by the recipient. However, if the recipient believes that such a deduction would cause clear hardship, he or she should be able to appeal to the Social Assistance Review Board. If the recipient appeals, then the ministry should not be able to make the proposed deductions until a final decision is rendered by the board. In this way, while deducting an overpayment is not prohibited, there is an opportunity for an appeal where it is felt that serious hardship would result.

We also considered the question of recovering benefits from a person who is no longer receiving social assistance. At present, the government must use regular civil remedies when it wishes to collect an overpayment from a former recipient. The Social Assistance Review Board currently has no jurisdiction in such matters. We believe that if, as we have suggested, it is made more difficult for the government to collect overpayments while an individual is still receiving benefits, there should be some efficient means of collecting the overpayment once the person has ceased receiving benefits. Therefore, we believe that the government should explore the possibility of initiating a method of determining and collecting overpayments from a client who is no longer in receipt of benefits, provided that a right of appeal to the Social Assistance Review Board is granted.

RECOMMENDATION 179

It should not be possible to collect an overpayment resulting from administrative error on the part of the issuing authority. An exception should exist if the amount of the payment or other circumstance makes it clear that an overpayment has occurred and the client was aware of or recklessly disregarded this fact.

RECOMMENDATION 180

In the case of an overpayment resulting from inadvertent client error, recovery should be limited to those overpayments made over the previous 12 months. It should be possible to recover such monies from future payments, subject to a right of appeal to the Social Assistance Review Board if it is felt that deductions would cause severe hardship.

RECOMMENDATION 181

When an overpayment has been made to a person who no longer receives benefits, an efficient method of establishing and recovering the overpayment should be established, with a right of appeal to the Social Assistance Review Board.

8

ADMINISTRATION AND FUNDING

Elsewhere in this report, we have described the essential elements of the new social assistance system. We have recommended a new social assistance program with three categories of eligibility: persons with disabilities and two categories of other persons in need. We have proposed the way in which the new program should be delivered and forms of assistance to which recipients must have access. This chapter deals with the structural changes and funding arrangements needed to support the new system. These are the elements that connect the program with its clients. If the structure and funding of the system do not support the new program, there is a high likelihood that many people will not receive the full benefit of the program.

We have placed our discussion of roles and responsibilities at this point in the report for two reasons. First, changes in structure must be seen in the context of the fundamental reform of the system that we have recommended in other chapters. Second, much of the debate about who delivers social assistance has been predicated on the programs that are now delivered. Criticism of the deliverer has often been a proxy for broader criticism of the program as a whole. The determination of appropriate roles and responsibilities must begin with an understanding of the very different social assistance system we see being delivered in the future. With that understanding as a foundation, the issues that are relevant to this chapter come into sharper focus.

Although not apparent at first glance, the complexities of the system challenge the best of bureaucrats among us to administer benefits in an equitable manner.

Art Pope, Ottawa Region Social Services

To begin with, this chapter will outline the existing delivery structure: who defines programs, delivers them, and funds them. There follows a look at how these arrangements fall short of achieving the objectives we have set for the new system. We set out the essential requirements of an effective delivery structure, along with proposals for who should deliver income support, opportunity planning, and other related services in the new, unified social assistance system. We then consider the changes that will be necessary at the provincial level to support the provincial government's enhanced role in designing the program and ensuring that it is delivered effectively. As well, we propose a number of measures for improving co-ordination at all levels of the system. Finally, we address the funding issues that are so key to reform in this area.

Most of this chapter is concerned with the short and medium terms. However, what we recommend here will carry through into the long term. The major difference between the earlier stages and the system described in Chapter 3 will be the scale of the social assistance program to be delivered. Social assistance at the fifth (and final) stage of the reforms we propose will be a much smaller program, because children and disabled persons will no longer be served by it.

Our long-term proposals have influenced the recommendations in this chapter in two other ways. First, both of the programs for disabled people – the disability insurance program and the disability benefit program – will be delivered at either the provincial or federal level. This has affected the decisions we have made about the delivery of income and opportunity planning to persons with disabilities. Second, we have recommended that in the future many services be delivered by mainstream agencies or ministries. This has affected our recommendations regarding co-ordination, because our proposals broaden greatly the range of services to be co-ordinated.

Any change in the delivery structure creates inevitable disruptions for those whose job it is to deliver social assistance. This is unavoidable when one begins with the view that the present two-tier structure must be unified. However, we believe that the new program will be a much better one for those who work in it and that the overall result will be additional skilled personnel providing income support and opportunity planning to persons in need. We propose a staging of reforms to ease the move to the new system.

The Existing Delivery Structure

Chapter 2 outlines the historical development of social assistance delivery in this province. Municipalities were the first level of government to assume responsibility for the poor. The general trend since the turn of this century – with some fluctuations caused by war and economic depression – has been for senior levels of government to assume a growing role in providing income programs to the economically disadvantaged. Social assistance is the one program area within the broader income security field where local governments in Ontario have retained a role, largely because of the unique history and character of municipal involvement in the system.

In 1966, when the Canada Assistance Plan was introduced, and in 1967, when the provincial government enacted the Family Benefits Act, the elements of Ontario's present delivery structure were established. The province was to be responsible for categories of clients deemed to have long-term needs. Municipalities were to be responsible for delivering and sharing the costs of the program only for those presumed to be short-term recipients. This structure has persisted, despite the fact that the long-term/short-term categorical distinction has lost much of its validity.

In 1982 the province initiated a project whereby delivery of part of the FBA program – that involving sole-support parents – was integrated with municipal delivery of GWA in seven (now eight) selected municipalities. Where this has been done, the two programs are delivered from the municipal GWA office but remain separate programs from legislative and policy standpoints. The provincial government retains funding responsibility as well as full control over the policies affecting the FBA component.

Legislative authority over social assistance is vested in the provincial government. The province carries full responsibility for the structure, funding, and delivery of the FBA program. The Ministry of Community and Social Services has decentralized delivery of FBA to a network of regional, area, and local offices, and, as noted above, has delegated delivery responsibility for part of the program to selected municipalities.

Throughout most of the province, General Welfare Assistance is delivered by municipal governments. However, the nature of the program is set out in provincial legislation, establishing the provincial government's primary responsibility for the program itself. In many respects, the province exercises control over the content of the GWA program. Benefits must be paid to those found eligible, and the rules and regulations that apply to the program are extensive and detailed. The GWA Act obligates the provincial government to advise municipal welfare administrators on how their duties are to be performed. This authority is now largely in the hands of the ministry's area managers.

However, as pointed out throughout this report, extensive discretion is frequently vested in municipal welfare administrators and municipal governments. Legislative criteria are vague and many benefits are entirely subject to local discretion. For example, municipalities vary widely in their approaches to the payment of discharge benefits, their application of residency requirements, and their overall treatment of self-employed persons; little clear direction, monitoring, or enforcement comes from the province on these issues. In recent years, the level of provincial intervention in municipal decisions that are seen as unfair has declined appreciably.

The provincial government also provides little clear direction regarding the way in which social assistance is to be delivered. As noted in Chapter 5, decisions involving such essential issues as staff qualifications, caseload standards, and required training are largely left up to local administrators. Few concrete rules exist that specify how social assistance offices should be designed or operated. Present funding arrangements work against the development of high-quality administrations at the local level.

Delivery Across Ontario

The province delivers FBA through 13 MCSS area offices and 74 local offices. Some are large operations located in major cities; others are small operations in relatively remote parts of the province. Eight municipalities now deliver FBA to sole-support parents under the partly integrated program mentioned above. In addition there are a number of joint FBA/GWA projects where the municipalities take applications for FBA.

For the purposes of administering GWA, a variety of municipal delivery structures are used. The following figures were compiled in the spring of 1988. In Southern Ontario, there are 10 regional municipalities, 24 consolidated counties, 11 cities or towns within those consolidated counties that provide the services separately, and a number of other municipalities not normally part of county government that have opted to contract for services from the county level. There are also 3 unconsolidated counties. In the regions, each of the local municipalities has an elected council, which sends designated members to form the regional body; GWA is administered there on a regional basis. Towns, villages, and townships within consolidated counties appoint a single welfare administrator for the whole county. Cities and towns that are not part of a county government but are within otherwise consolidated counties deliver their own GWA, apart from the consolidated county in which they are located. In the three unconsolidated counties, individual cities, towns, villages, and townships deliver their own GWA. Of these 72 individual units that deliver GWA, only 5 employ a full-time welfare administrator. The remainder are part-time staff, usually municipal clerk-treasurers or other paid municipal staff, such as by-law enforcement officers or specially appointed part-time welfare administrators.

Northern Ontario is organized differently. It is divided into 10 territorial districts and the District Municipality of Muskoka. Each district contains a number of local municipalities, but all except Muskoka include areas that have no elected municipal representation. Of the 10 territorial districts, 6 have specially appointed District Welfare Administration Boards (DWABS), which deliver GWA on behalf of all municipalities with elected representation within their boundaries, with the exception of the cities of Sault Ste. Marie, Timmins, and North Bay, which deliver GWA separately. In Sudbury, GWA is delivered to the entire district, including the Region of Sudbury, and 11 other municipalities under the authority of the Sudbury District Welfare Administration Board. In Muskoka, the district government delivers the program throughout the district.

There are also four unconsolidated districts that do not have District Welfare Administration Boards; here the services are delivered by 71 individual municipalities with elected representation within their boundaries, the largest being Thunder Bay. Of these, only 8 employ full-time welfare administrators. In the remainder, as in Southern Ontario, part-time staff are responsible for administration.

In those parts of the 10 northern territorial districts that have no municipal organization of any kind, the Ministry of Community and Social Services is responsible for the delivery of GWA and delivers the program directly. There are 26 such ministry offices and sub-offices within these areas. In addition, the province has assumed responsibility for delivery of GWA to a number of townships within Nipissing District that lie south of Algonquin Park and cannot readily be serviced by the Nipissing District Welfare Administration Board.

There are 101 Indian bands that have provincial approval to deliver GWA to their own communities. A further 25 either have GWA administered by the federal Department of Indian Affairs and Northern Development or fall under other administrative arrangements. Delivery of social assistance by Native communities is discussed in Chapter 9.

One obvious result of these varied approaches to delivery in a province the size of Ontario has been a marked contrast in levels of service, which range from a small office with a part-time welfare administrator offering over-the-counter service only two or three days a month, to a large municipal or provincial organization with a sophisticated administrative and office environment and a large complement of full-time trained staff.

Social Services

A historical review of the development of Ontario's social services system is beyond the scope of this report. As noted in Chapter 6, Ontario has a rich if confusing mix of social and other services to which recipients may have access. One of the unique aspects of Ontario's history has been the extent to which social services have been developed and delivered at the community level, a pattern that has been reinforced over the past 25 years. While responsibility for income security programs has moved to the senior levels of government, the trend in social services has been towards greater delivery at the community level. However, the province's funding role has expanded as it has assumed greater responsibility for ensuring that needed services exist across Ontario.

For those services delivered by the provincial government – for example, much of the institutional care for people with developmental handicaps – provincial authority and supervision are generally exercised through regional or area offices. For services delivered by third-party agencies with full or extensive provincial funding – for example, child care and homes for the aged – the provincial government has increasingly established program and delivery standards. Where the provincial government neither delivers a service nor provides direct funding – for example, hostels – provincial standards of service generally do not exist.

Funding GWA and FBA

With the introduction of the Canada Assistance Plan in 1966 and the subsequent introduction of the Family Benefits Act in 1967, the municipalities were left with funding responsibility for only one group: those deemed to be short-term recipients of social assistance. Their share of mandatory assistance continues to be 20%.

Over the more than twenty years since CAP and the creation of the provincial FBA program, the trend has been for municipalities to be relieved of more and more of their funding responsibilities for social assistance. In about twenty-five instances since 1967, municipalities have been relieved of funding responsibility, either in direct income transfers or in administration costs. Prominent examples include:

- the introduction of "extended care" in 1972, which almost eliminated municipal involvement in nursing homes and homes for the aged under GWA;
- the establishment of FBA categories for permanently unemployable persons (1973), separated mothers (1979), and single fathers and disabled wives (1982);
- the replacement of municipal shelter supplement programs with the province-wide shelter subsidy at enriched funding levels (1981); and
- the elimination of baselines (1985), which had previously restricted funding of administration costs for a number of municipalities.

However, at the same time as municipalities were being relieved of cost-sharing for a number of categories of social assistance recipients, the number of people receiving GWA and the length of their dependence were increasing. Municipalities' costs, therefore, have continued to escalate, although their 20% share has remained the same.

Two other developments affected municipal expenditures on administration. In 1976, the provincial government placed constraints on municipal welfare administration budgets. In 1983, with decentralization of MCSS budgets on a regional basis, the redistribution of cost-shared administrative dollars across the province from "have" to "have-not" areas effectively became more difficult.

The provincial government shares the costs of the Family Benefits program on a 50-50 basis with the federal government. No municipal contribution is made towards the basic allowance portion of FBA. Municipalities pay 20% of the costs of GWA. They are also responsible for sharing 50% of the costs of Special Assistance (paid to GWA clients and some working poor people); the federal government pays the other half. The costs of Supplementary Aid, which covers special-needs items for FBA clients and for needy aged persons, are shared by municipalities at a rate of 20%.

Some administrative costs of GWA – those not related to staffing – are paid in full by the municipality. These include such costs as office accommodation and supplies, telephone, and postage. Other costs above provincially imposed ceilings are also borne 100% by the municipality. Approved costs that come under the ceilings are shared

50-50 by the municipality and the federal government.

The province does not share the administrative costs of GWA with municipalities, except for a limited baseline amount of approximately $2 million; it is, however, the conduit for the 50% federal contribution. In this capacity, the federal and provincial governments decide which administrative items are cost-sharable and set the ceilings for the sharing of administrative costs.

Programs in Other Provinces

The committee also examined the division of responsibilities and the funding arrangements for social assistance that have developed in other provinces across Canada. Each jurisdiction has developed programs in its own way and has its own history, but the overall trend has been towards a greater provincial role.

British Columbia Municipal involvement in the delivery of social assistance was phased out in the mid-1970s. The provincial government delivers and funds 100% of both long-term and short-term assistance through regional and district offices.

Alberta With some minor exceptions, the provincial government delivers social assistance directly and funds 100% of the program. Until the mid-1970s, municipalities delivered assistance to employable people and were partly reimbursed by the province.

Saskatchewan The provincial government pays for and delivers social assistance. It took over delivery in the late 1960s. There are two exceptions: two municipalities deliver their own program, and all municipalities contribute approximately 1% of the costs of the income maintenance program.

Manitoba At the time of writing, the provincial government was directly delivering long-term assistance to single parents, disabled persons, the aged, and all recipients living in remote communities. Municipalities were directly delivering assistance to those not covered by the provincial program. Provincial reimbursement of municipal costs varies according to a complex formula, with a minimum of 80%. In 1988, the provincial government announced legislation to eliminate municipal involvement in delivery and cost-sharing of the social allowances program, with the exception of Winnipeg. The draft legislation died on the order paper when the government fell in early 1988.

Quebec The provincial government delivers the program except in the city of Montreal, which does its own delivery. All costs – including Montreal's – are paid by the provincial government. From 1921 to 1960, municipalities were effectively responsible for social assistance, and costs were shared by the province, the municipalities, and charitable organizations. The province assumed full funding responsibility in 1960; it assumed administrative responsibility in the mid-1960s and 1970s.

New Brunswick The provincial government delivers social assistance directly and pays 100% of the costs. It took over delivery and funding responsibility in 1967.

Nova Scotia There is a two-tier delivery system. The provincial government delivers and pays 100% of the costs of the Family Benefits program, for those with long-term needs. The municipality delivers to employable persons. Urban centres deliver their own social assistance, and the province delivers in rural and remote areas. In general, the provincial government pays 75% of the costs, and the municipality 25%. But the province will fund up to 93% depending on a local government's ability to pay.

Prince Edward Island and Newfoundland Delivery and funding of social assistance is a long-standing provincial responsibility in both provinces.

Objectives of Reform

Present arrangements as well as proposals for reform must be measured against stated objectives. What are our proposed changes in roles and responsibilities and in the structure and funding of the system designed to achieve?

As in other parts of this report, we have been guided by the principles described in Chapter 1. The transition principle has supported recommendations to bring the planning and delivery of income and services closer together. The accessibility and eligibility principles not only call for an increased provincial role in the planning and design of the unified program; they also support a much greater provincial responsibility for ensuring that those who deliver the program are able to do so effectively and well. This is reinforced by the principle that requires the system as a whole to be publicly accountable.

The diversity principle reinforces the need for specialized approaches to the delivery of opportunity planning that better serve the multicultural client groups, as well as measures to ensure that French-speaking persons are able to receive service in their own language, regardless of who delivers the program. The principle of shared responsibility has led us to support various measures to bring together at the local level all of the key parties, including the voluntary sector, business, labour, and recipients themselves, to help plan and co-ordinate those parts of the program that should be responsive to local differences.

In fashioning the appropriate changes in roles and responsibilities for both the provincial and municipal levels of government, we were guided by the following objectives:

- The assignment of responsibilities should ensure an overall, unifying sense of direction that guides all who develop or deliver social assistance and related programs for the economically disadvantaged.
- Those who deliver must comply with the much clearer rules relating to benefit structure, to the forms of assistance offered to applicants and recipients, to the pro-

cedures that must be followed, and to other features of the new program. Stated simply, there must be a capacity and willingness to deliver the program that we have recommended throughout this report.

- There must be a consistent quality of service across the province.
- The system must be able to adapt to local conditions that justify unique approaches to social assistance delivery.
- The development of new roles and responsibilities should enable more effective links to be forged between social assistance and related services.
- The system should be more understandable and accessible to those who come to it for help.
- Changes in roles and responsibilities should be consistent with our proposals for long-term reform.
- New approaches should build upon the strengths and eliminate the weaknesses that exist at all levels of the present system.
- Changes should be introduced in a manner that minimizes as far as possible the disruption to those who are clients of the system and to those who work in it.

In considering appropriate funding arrangements for our new program, we adopted the following objectives. Generally, funding arrangements for the new social assistance system should support our program objectives and facilitate our recommendations about delivery. In particular, funding arrangements should:

- Ensure that funds are available for implementation of the new program as described. Funding should be assured for all essential elements of the program, even in times of economic instability.
- Promote a consistent quality of service across the province. Funding arrangements should take into account differing municipal capacities to pay and different local conditions.
- Ensure that money is spent efficiently and in accordance with program objectives. The more open-ended or flexible the program and funding arrangements, the greater the need for those who make decisions in this area to carry some of the funding responsibility.
- Be simple and understandable. Where possible, the costs for different components of the same program should be shared in a similar manner.
- Meld with funding arrangements for other services in a manner that creates an overall rational funding structure. Changes should be harmonized to avoid an inappropriate cumulative financial impact upon either level of government.
- Eliminate any perverse funding incentives that run counter to program objectives. Funding arrangements should not discourage efforts to assist people to make the transition to self-sufficiency.

- Eliminate financial disincentives to the assumption of responsibility for delivery. Municipalities that are given delivery responsibility should not be financially penalized for doing so.

Problems with the Existing Structure

The Two-Tier System

In Chapter 4, we set out our reasons for no longer supporting two separate benefit structures. The retention of separate delivery systems for FBA and GWA also makes no sense. The illogical nature of the arrangement is highlighted when clients move back and forth between the two systems, as they often do. Even less sensible are those situations where one level of income support comes from the provincial government, yet recipients must go to the municipality for special and emergency needs over and above this level.

The confusion within the system would remain even if a clear categorical distinction could be made between short-term and long-term clients. There would still be an inefficient structure in which administrators at the "lower" (that is, short-term) level spent considerable time preparing clients to move to the "upper" level. Separate administrations require the maintenance of two separate bureaucracies with their own office space, overhead, and other costs.

The two-tier system also contributes to the implicit categorizing of clients in terms of deservedness. The existence of an "upper" and a "lower" tier becomes an unstated justification or reinforcement of differing treatment and stigmatization of recipients at the municipal level.

Lack of Provincial Direction and Control

Social assistance is a provincial responsibility; it is the province that must ensure that the objectives we have set for the system are met. However, in the existing system, the provincial government does not exercise its authority to establish minimum or threshold standards that would define an appropriate delivery system. Too often, the standards that are enforced entail only maximums, such as the ceilings on comfort allowances, hostel per-diem rates, earnings exemptions, asset levels, and periods for emergency assistance.

There are two aspects to this failure to exercise sufficient authority. First, the provincial government's failure to establish the essential elements of a uniform and adequate social assistance program, and to place limits on the discretionary authority of its delivery agents, has produced unacceptably wide variations in the standard of service across the province. Second, the quality of delivery itself is inadequate and unjustifiably inconsistent.

Voices

United Way,
Sault Ste. Marie

Because General Welfare Assistance is funded partially by the municipality, and there is often a tendency at the municipal level to tighten the budget, decisions regarding discretionary spending are sometimes made in favour of tightening the purse strings instead of meeting clients' needs. Often municipalities with the highest need for General Welfare Assistance are those with depressed local economies and stressed municipal budgets.

Rural Legal Services

I would suggest that by having an unconsolidated General Welfare System in our County, the people in our County, both clients and tax payers, are not receiving what people in other counties are receiving. The tax payer is not receiving as good a service for taxes paid. The clients, similarly, are not receiving as good a service.

Community Legal Services
of Niagara South

The funding should be Provincial funding and all persons throughout Ontario should be able to receive the same services. Local taxpayers should not bear the burden of this program. In the present welfare scheme, recipients are more or less advantaged by which region they live in, and they receive different services.

The problem must be seen in context: those who deliver the programs at either the provincial or the municipal level are in fact subject to a bewildering assortment of rules, directives, and policy guidelines issued by the province in various forms. However, direction is lacking on some of the most important issues – for example, eligibility rules and required procedures. As well, many of the rules are poorly enforced. This results in wide variations in areas of vital importance. Even when clearer direction is given, poor preparation and education of those who deliver the programs often ensures inconsistencies in the way they are delivered.

The provincial government has also failed to give sufficient direction or to establish minimum standards for both programs regarding such issues as caseload size, training requirements, and office design. For the municipal program, standard-setting and monitoring are inconsistent, with an over-emphasis on budgetary controls. The result is an especially wide variation at this level in the way assistance is provided.

Stated another way, the problem can be described as a failure on the part of the provincial government to find an appropriate balance between setting program and delivery standards on the one hand and permitting local flexibility in administration on the other. Some degree of local discretion may be an incentive for municipalities to be involved in the delivery of social assistance; however, that involvement must not be secured by granting discretion on issues of major importance where the consistent application of clear rules is essential.

COUNTER-PRODUCTIVE FUNDING ARRANGEMENTS

The present funding arrangements for social assistance are complex, confusing, and often illogical. They are administratively inefficient, with significant resources required to claim subsidies and monitor the flow of funds. Worse, the funding arrangements discourage effective administration of the program and actually act as incentives to keep people dependent upon assistance rather than helping them to become self-reliant again.

Municipalities receive 80% of the cost of most GWA allowances and benefits from senior levels of government under the regular cost-sharing ratio. However, only 50% of eligible municipal expenses for administering and monitoring these cases is reimbursed. This cost-sharing discrepancy discourages municipalities from providing adequate staff resources to ensure that clients receive the support services and counselling they need to help them obtain employment and regain their independence.

In addition, although the municipality is required by law to provide income support if need has been established, it is not required to provide support services to clients to help them leave the system. Administrative expenditures for social assistance are limited both by municipal budget procedures and by provincial cost-sharing constraints. About 17% of municipal administrative costs are not shared at all, and the sharing of other costs is subject to provincially imposed ceilings.

The funding arrangements for Special Assistance and Supplementary Aid also cause problems, both for recipients and for municipalities. Because these items are non-mandatory, some municipalities refuse to pay for them at all, creating hardship for needy people in those areas. But even in the majority of municipalities, which do pay for these additional expenses, there are often serious inequities. Municipal welfare administrators dealing with a finite local budget may prefer providing Supplementary Aid to FBA clients because of the more favourable cost-sharing arrangement, even though the needs of GWA clients may be as great or even greater. On the other hand, if they try to treat all people with similar needs alike, the money may run out before the end of the budget year, forcing them to turn people away. Clients may be refused payment for transportation to job sites, for example, although it could help them on the way to independence.

The funding issue has other problematic aspects. First, the existing arrangements fail to recognize the major problems facing poor municipalities; their less substantial revenue base means that the delivery of non-mandatory – and sometimes even mandatory – aspects of the program diminishes appreciably. The response most often heard to complaints about the quality of delivery, especially in smaller, rural municipalities, was that present funding arrangements make the problem an inevitable one.

Second, the varying approaches to the cost-sharing of social services are confusing and often illogical. In recognition of these problems, the government has established the Provincial-Municipal Social Services Review, which is reviewing social services cost-sharing. The variations in approach from one program to another also create inappropriate incentives and disincentives. Child care funding is an example. Most sole-support parents who receive social assistance are FBA clients. They thus represent a limited burden to a municipality, which pays only GWA and 20% of any Supplementary Aid benefits. One of the most significant barriers to employment for these recipients is lack of subsidized child care. But provision of subsidized child care is at the discretion of a municipality, which must pay 20% of the gross costs of the program. Therefore, municipalities are put in the position of incurring major expenditures for child care, while the two senior levels of government benefit financially through reduced FBA caseloads when sole-support parents find jobs and no longer require social assistance.

INADEQUATE LINKS TO SERVICES

We have stressed throughout this report the importance of social and employment-related services in helping social assistance recipients escape the poverty trap. However, these services can only make a difference if they are available and accessible to the people who need them. The linkage between social assistance and needed social and support services is seriously flawed.

The linkage problem in some parts of the province is simply that there are few services with which to link. Many of the services available to persons in larger, richer municipalities are not available in smaller municipalities, particularly if a municipal financial contribution is required in order to provide them. Child care again is a good example. It is an essential service for sole-support parents, yet a number of municipalities have not developed a child care program.

More often the problem is the absence of co-ordinated planning and program development. This takes many forms:

- The absence of an overall provincial policy for the economically disadvantaged that guides the work of individual ministries.

- The lack of co-ordination between ministries. Throughout this report, we have shown how often changes in policy have not been well harmonized. The poor linkage between social assistance and the wide range of employment programs offered at all levels of the system is described in Chapter 6.
- Insufficient linkage between programs within one ministry. An example is the poor linkage between the Family Benefits and Vocational Rehabilitation Services programs.
- The absence of good co-ordination of services at the local level involving all of the relevant participants.

Part of the difficulty has been identifying the body or agency that should be the central planning agency in a local area. We will suggest that municipal government is a logical locus of responsibility, but there is wide variation in the social planning capabilities of municipalities. Some do none at all; others do a very limited amount; a few are heavily involved. There is often little effort to co-ordinate programs with community groups or other government agencies operating locally. Where there is little local direction, there tends to be limited involvement by the voluntary sector and even less by business and labour in social planning at the community level.

The New Delivery Structure

Provincial Authority and Direction

The committee believes that the provincial government must accept overall responsibility for the social assistance program, including the manner of delivery. The new delivery system's foundation and direction will depend upon strong provincial leadership.

Our recommendations regarding delivery proceed from two assumptions: first, that the provincial government will agree to make the other significant changes to social assistance that we have recommended throughout this report; and second, that the province will take steps to ensure that the new program structure supports the objectives of the system. Some of the necessary steps, such as those relating to staffing standards and training requirements, are described in Chapter 5. Others, such as the conditions to be met by those municipalities seeking to deliver social assistance, are dealt with here.

If these two assumptions proved not to be valid, then we would recommend provincial delivery of social assistance throughout the province. We would do so not with optimism about the quality of the program thereby created but only because provincial delivery would reinforce the province's responsibility and therefore increase the likelihood that the other recommendations in this report would be adopted.

RECOMMENDATION 182

The province should assume full responsibility for defining the essential elements of the social assistance program, establishing standards of delivery, and ensuring that those standards are met.

UNIFYING PROGRAM DELIVERY

The two-tier delivery system must end. The move to one unified benefit structure supports a similar approach to delivery. Rates may vary in relation to the length of time on assistance, but setting a time limit after which recipients must move from one program to another would duplicate the present unworkable structure and compound the problems that now exist.

Retaining the two-tier delivery system would only perpetuate the confusion for clients, the duplication of bureaucracies, the waste of resources, and the diffusion of responsibilities. The new system must ensure that applicants will have to deal with one office only.

RECOMMENDATION 183

The present two-tier delivery structure, which distinguishes between short-term and long-term need on the basis of categories of eligibility, should be abolished.

INCOME SUPPORT AND OPPORTUNITY PLANNING

In Chapter 5, we recommend that the new social assistance program should include two functions – the delivery of income and opportunity planning – and that, where possible, the functions should be divided between two workers. In dealing with who should deliver the program, it is important to consider whether these two functions should be separated organizationally.

The same reasons that led us to conclude that the two roles should be separated functionally could be used to justify assigning them to different levels of government. Separating them in this way would ensure that the opportunity planner is totally divorced from the partial policing role of the income support worker. However, the committee believes that this would create an impossible system to co-ordinate. It would make it more difficult for the two workers assisting the same client to work as a team, and it could result in two competing systems. We do not want to set up a new system that could have many of the same problems as the existing two-tier system. We recognize that having a single employer for both income support workers and opportunity planners does not guarantee co-operative approaches, but it should at least facilitate them.

We have recommended that opportunity planning might be purchased from community organizations – for instance, those that work particularly well with certain client groups. We are satisfied this would not violate the approach we have taken here in terms of organizational structure as long as one level of government – the same level of government that is delivering the income program – takes overall responsibility for opportunity planning, even when it is purchasing the service. That level of government would hold the delivery agent accountable for the service, and would also be responsible for co-ordinating the income support and opportunity planning functions.

RECOMMENDATION 184

The level of government delivering social assistance in a given community or area of the province should be responsible and accountable for both the income support and opportunity planning functions.

Provincial or Municipal Delivery?

There has been much debate about who should deliver social assistance, the province or the municipalities. The committee heard the views of a wide variety of organizations and individuals on this subject, including the unions representing municipal and provincial staff, individual municipalities and the Association of Municipalities of Ontario, the Ontario Municipal Social Services Association, area offices of MCSS and other provincial ministries, many organizations representing social assistance recipients, and groups providing services to recipients.

There seems to be little consensus on the very terms of this debate. Instead, it has tended to focus on two separate sets of criteria. Those who support provincial delivery point to criteria emphasizing control and consistency in delivery; those who advocate municipal delivery base their argument on local innovation and knowledge of the community. The debate has focused on disagreement over which set of criteria is the most important.

The most commonly heard arguments in favour of provincial delivery are that it would:

- enhance control over the entire system and clarify accountability;
- establish a clearer link between provincial standards and actual delivery;
- make it easier to monitor delivery standards;
- make consistency more likely;
- link provincial expertise in program planning to delivery;
- create stronger links between provincial government ministries and between the provincial and federal governments; and
- simplify the development of funding arrangements.

Voices

Sole-Support Parents SARC Advisory Group	*FBA is presently administered at the provincial level and there are still large differences across the board. To monitor municipal GWA is impossible to do now; if they suddenly became responsible for the administration of both programs of social assistance the problems would be horrendous. Therefore we would like to stress our fear of municipal integration and insist that if integration is to take place of the two systems that it happen under provincial administration or not at all.*
Association of Municipalities of Ontario (AMO)	*The social assistance system envisaged by AMO is more than a stream-lined efficient cheque-issuing agency. It is accessible, responsive to claimants' needs, and geared toward client self-sufficiency. Municipal administrations are best able to fulfil these requirements.*

Those who support municipal delivery feel that such an approach would:

- capitalize on a tradition of local government involvement in social assistance and on an existing infrastructure;
- promote closer contacts with, and accountability to, the community at the local level;
- be more responsive to local needs, particularly for emergency service;
- allow for greater innovation based on local conditions and the diversity of communities;
- encourage greater flexibility;
- facilitate closer links between social assistance and social and employment-related services delivered at the local level; and
- promote greater accessibility.

In reality, a given provincial or municipal office may have only some of these attributes. Moreover, it is clear that neither system is presently prepared to deliver a unified program. In some areas of the province, no municipal structures exist at all; at the same time, the provincial FBA system is not set up to respond immediately to emergency needs, a service now provided by municipal social assistance offices.

We have already stated our belief that if the present programs do not change, provincial delivery is required. Our decisions have been made in the expectation that there will be a new program, with clearly articulated provincial standards of delivery. These standards would apply regardless of which level of government assumes responsibility for providing the program. Thus we are able to turn the focus away from a debate over which delivery system, municipal or provincial, has been the least inadequate in delivering the current inadequate system. Instead, we will discuss how the new program as we have designed it can best be delivered to serve the needs of the clients and the objectives of the new system.

In a province as large and diverse as Ontario, we see no utility in having one monolithic system delivering social assistance everywhere. Choosing one level of government to deliver province-wide, and identifying that one level as equally competent to deliver in all parts of Ontario, would ignore the reality that each part of the province has a very different history and capability. We see some real advantages in having the flexibility to choose the most appropriate delivery agent for a particular area.

The decision not to designate one level of government to deliver will disappoint those who would prefer either one homogeneous provincial system or a totally decentralized municipal system. Picking one type of administration or the other would certainly be simpler conceptually. But we believe that the delivery structure we are recommending holds a greater potential for improving service to the client, which must be the most important rationale for change. The primary objective should be to have in each part of the province the most effective delivery agent for the program as we have designed it.

We have reached two conclusions. First, the provincial government should deliver social assistance where this is necessary to achieve the objectives we have established for the program. Second, where it is clear that municipal government has the capacity to meet established standards of delivery and is willing to do so, responsibility for delivery should be delegated to local government.

We have three reasons for supporting municipal delivery under appropriate conditions. First, a locally based and controlled opportunity planning process increases the likelihood of a strong linkage between that process and the growing range of social and support services delivered at the community level. If, as we have suggested, responsibility for both income support and opportunity planning should fall to one level of government, this supports municipal delivery of the unified program where possible. It is also within opportunity planning that flexibility and the opportunity to innovate in response to local circumstances are most needed. We believe that the involvement of local government in delivery of this part of the program increases the likelihood of this happening.

Second, municipal delivery would promote greater community understanding and involvement in the program. We have stressed throughout this report that all members of society must accept responsibility for those in need and must become involved in finding answers that include them in the broader community. We see delivery through local government as a way to broaden community involvement. Excluding local government would encourage members of the community to see those in need as outside their sphere of responsibility.

Third, a number of local governments have developed effective programs, particularly programs designed to assist recipients' transition to employment. We see value in retaining these local programs where the other elements of the new social assistance system can be guaranteed, rather than dismantling present programs in favour of provincial delivery.

Conditions for Municipal Delivery

As part of its overall responsibility, the provincial government must establish the conditions that must be satisfied before municipal delivery of the unified program can be considered. The required conditions should include the following:

Support for Objectives There must be a clear understanding of and support for the objectives of the new program. Municipalities should be under no misapprehension that they are simply taking over administration of the old FBA program, or just continuing an expanded version of the old GWA program.

Annual Service Plan Municipalities must be committed to developing an annual service plan, with measurable goals and objectives, for review by the provincial government. This planning and review process will include objectives for opportunity planning, staffing levels, and program priorities for that year. It will give the province a means of ensuring that the program is being delivered as designed in a particular municipality, and that resources are being used effectively and appropriately. Such planning will assist municipalities in developing effective approaches in those areas, such as opportunity planning, where flexibility and local innovation are required. Service planning becomes a way of holding both levels of government accountable for the quality of the program and its delivery.

Viable Structure Municipalities must have administrative structures of a viable size, including full-time professional administration of the social assistance program. The problems associated with delivery by small, unconsolidated municipalities within counties or districts are such that we believe they do not have the capacity to deliver the new social assistance program. These municipalities must consolidate into county units or district boards to make delivery at a local level possible. Otherwise, the province should take over delivery responsibility in those areas.

While this report was being prepared, the report of the Advisory Committee on County Government was released. We were encouraged that this report to the Minister of Municipal Affairs also expressed the view that social assistance delivery should be carried out by the county level of government and not by individual municipalities within a county unit. The report also recommended that GWA be one of the core services that county governments be required to deliver.[1]

Another problem is the disparity in delivery between some separated cities, which deliver their own GWA, and the county units surrounding them. With some exceptions, the county units tend to be too small to support the kind of program we are recommending. In such cases, we believe that consolidation of the separated cities and the county units is required.

The Advisory Committee on County Government called for a review of separated municipalities and suggested that "they should be encouraged to rejoin the county system and that no further separations should be allowed."[2] The terms of reference of the subsequently appointed Consultation Committee on County Government Reform include the issue of separated cities, which will be examined on a county-by-county basis.

In Northern Ontario, there are also a large number of unconsolidated municipal units delivering GWA within district boundaries. Most of these districts also include areas that have no municipal organization. We believe that provincial delivery may be the best solution for at least some of these districts because of their large geographic area and small, dispersed populations, and because they contain areas that have no existing municipal structure. Consolidation into a viable-sized district administration may be possible in some of these areas; however, in areas where consolidation does not take place, the provincial government must deliver social assistance.

Service in French Municipalities must agree to abide by the provisions of the French Language Services Act. They are not now bound by the requirements of the Act, but we feel that it would be inappropriate to designate a municipality for delivery of social assistance without first ensuring that the province's francophone population will be as well served by local delivery as by provincial delivery.

Demonstrated Capabilities in Administration The new program for social assistance will put considerably more demands than is now the case on any municipal deliverers. It is essential, therefore, that local administrations be capable of meeting the requirements of the new system in terms of staffing and training, implementation of new technologies, financial controls, and planning and co-ordination. They must, for example, have the skills to produce an annual service plan.

Liaison with Agencies and Communities It is vital for the success of the opportunity planning process that the social assistance program be linked with the variety of government and community agencies and organizations that offer social and employment support services. The municipality must be able to ensure the involvement of these other groups. It must also be willing to listen to its own community, to consult with the public and allow people to be heard – particularly clients of the social assistance system (who have been effectively excluded in the past). One of the reasons we are recommending municipal delivery where appropriate is that this approach should promote better co-ordination of community services; the municipality must be a focal point for that planning and co-ordination.

RECOMMENDATION 185

The provincial government should deliver the new social assistance program where necessary to achieve the objectives established for the program. The province should delegate to local government the responsibility to deliver the social assistance program where at least the following conditions are met:

- **acceptance of all elements of the new social assistance program;**
- **commitment to developing an annual service plan, with measurable goals and objectives, for review by the provincial government;**
- **a municipal structure of viable size, including full-time professional administration of the social assistance program;**
- **agreement to abide by the provisions of the French Language Services Act;**
- **demonstrated capabilities in administration, human resources management, financial management, technological systems, and planning and co-ordination; and**
- **a proven capacity to work with other government and private agencies delivering social and employment support services in the community, and with the community at large.**

We believe that this approach takes advantage of strengths where they exist at the municipal government level and also increases the likelihood that the social assistance program will link well with the other services that applicants and recipients require. At the same time, it reaffirms the provincial government's overall responsibility, including the responsibility to deliver the program where necessary.

Will local government respond to the opportunity to deliver the new program under these conditions? In large measure, the answer may depend upon the funding arrangements discussed later in this chapter. However, we believe that many will seek to deliver the unified social assistance program.

The social assistance program will be more clearly defined and discretion more tightly controlled than in the present system, but there will still be substantial opportunity to develop local approaches to assist recipients to leave social assistance and to integrate into the community. Municipalities have always shown substantial willingness to accept the province's primary role in defining the program, as long as local government has had an opportunity to be heard when major changes are being proposed.

The recent efforts at limited integration of the present system suggest that municipalities now welcome the opportunity to deal with sole-support parents in a more comprehensive and cohesive fashion. We certainly heard little in our consultations to suggest that municipalities wish to leave the social assistance field. There is a long history of municipal involvement in social assistance; many of those from whom we heard spoke of their desire to remain involved if meaningful reform takes place and funding issues can be resolved.

Program Delivery for People with Disabilities

In the short to medium term, we believe that the social assistance program for people with disabilities should be delivered by the provincial government. Once the disability benefit has been created, a one-tier social assistance program will be fully in place.

In light of our proposals for federal or provincial disability insurance and benefit programs, it would be impractical to divest responsibility for the income program for disabled people to municipalities in the short term, only to have it move later to the provincial or federal level. In terms of opportunity planning, municipalities also have much more limited experience working with disabled people than does the provincial government. We therefore see no compelling advantage to moving that form of assistance to the municipal level in the short or medium term. The province already has a potentially effective opportunity planning vehicle, the Vocational Rehabilitation Services (VRS) program. We make recommendations in Chapters 4, 5, and 6 on how to improve VRS and strengthen the links between it and social assistance.

RECOMMENDATION 186

The delivery of both income support and opportunity planning to persons with disabilities should be a provincial responsibility in the short to medium term.

Service Delivery

We support retaining the present variety of delivery agents for the broad range of social and employment support services available in Ontario, given our broad approach to the opportunities recipients require and the history of service delivery in this province. The opportunity planner will be responsible for ensuring that clients have access to the services they need. This approach reduces the need to consolidate an array of disparate programs into one unified delivery system. It also allows social assistance recipients to use mainstream services, rather than services that are directed only at recipients. However, the decision to retain a mix of service delivery agents leaves the problem of co-ordination of these services. We discuss this problem later in this chapter.

Implementation

In the short term, the province should undertake a number of measures that will help to support the reformed and unified system.

Consolidation of Smaller Units

We discussed above the need for consolidation of smaller administrative units throughout the province. Such consolidation must occur if local delivery is to be possible. We also believe the provincial government should consider mandatory consolidation without waiting for it to occur on a voluntary basis.

Consolidation of separated cities and their surrounding counties or districts should be encouraged and supported where the population size and resources of either the city or the county or district do not support viable separate administrations. With respect to the unique situation of the Sudbury area, we suggest that early consideration be given to whether the Sudbury District Welfare Administration Board will be able to meet the conditions that are set for local delivery to all of the district, including the Region of Sudbury. If not, then this would support the transfer of responsibility to the Regional Municipality of Sudbury, if it can meet the conditions, with either regional or provincial delivery in the rest of the district.

RECOMMENDATION 187

The provincial government should require the consolidation of social assistance in all unconsolidated counties and districts. It should also encourage and support consolidation of separated cities with the surrounding counties or districts, where the population size and resources of either do not support viable separate administrations. Where proposed consolidations have not occurred by the time new social assistance legislation is passed, the province should deliver the program directly.

Assessment and Accountability

The provincial government must start establishing the specific conditions that must be met by municipalities who wish to deliver the new social assistance program and determining the process by which municipalities could demonstrate their competence to meet these criteria. This work must be completed by the time new legislation is passed if municipal delivery is to be possible where appropriate. The province must also begin setting up a system to hold itself accountable wherever it delivers social assistance, as well as to monitor municipal delivery – for instance, a service planning process must be designed, to ensure that the content and delivery of the new program meet our established objectives across the province. The development of service planning should be done in consultation with the Association of Municipalities of Ontario and the Ontario Municipal Social Services Association.

RECOMMENDATION 188

The provincial government should begin immediately to establish the conditions for municipal delivery and the process for assessing a municipality's ability to deliver the new program. At the same time, it should begin to develop methods of service planning with municipalities and an effective system for monitoring municipal delivery.

Integration of GWA and FBA

The eight municipalities that are now delivering a partly integrated program (by administering FBA benefits for sole-support parents) should continue to do so while they seek to meet provincial criteria for assuming delivery of the new, fully unified social assistance program. It would be beneficial to have these municipalities also assume in the short term the entire caseload that will ultimately be served at the local level: that is, to take responsibility for elderly immigrants and the near elderly. This transfer of responsibility could take place as soon as a given municipality has met the new conditions, without waiting for new legislation to be passed.

Other municipalities are now waiting to join the partly integrated program. It must first be determined that they meet the conditions for municipal delivery before approval is given to any new unified offices.

RECOMMENDATION 189

The present partly integrated program should not be expanded into new municipalities unless the provincial government is first satisfied that each municipality can meet the conditions for delivery of the new social assistance program. Existing or new unified locations that are deemed to meet the conditions should assume responsibility for the entire caseload that will ultimately be served at that level.

Supplementary Aid for Persons with Disabilities

We recommend in Chapter 4 that much of what is discretionary in the present Supplementary Aid program should become mandatory. Since delivery of social assistance to disabled persons will remain a provincial responsibility in the long run, we see value in transferring immediately to the provincial government total responsibility for the provision of Supplementary Aid to persons with disabilities.

RECOMMENDATION 190

Responsibility for providing special-needs items for disabled persons – currently vested in municipal Supplementary Aid – should be transferred immediately to the provincial social assistance delivery system.

Completing Unification and Reform

Once new legislation has been passed, full implementation of the unified program will be possible. By this point the linkage at the provincial level between the handicapped allowance and the VRS program should be firmly established. Those municipalities that will be delivering to all other people in need must have been identified and must be ready to take on full delivery responsibility, subject to provincial control. In those parts of the province where provincial delivery is indicated, the province must be ready to assume those responsibilities previously located at the municipal level in the two-tier system.

Unification of the program will not be an easy process, as it will require changes in the roles and responsibilities of workers at both levels of government. During the committee's consultations, staff and those who represent them were supportive of a unified program, but fearful of recommendations that threatened their job security. Maintaining the status quo, however, was never an option in the context of this review.

Anxiety is heightened when, as here, change is inevitable, but the exact nature of that change has not yet been fully described. As these changes take place, therefore, the staff affected must be kept informed and involved.

The changes we recommend must be seen in perspective. The new system will provide much greater support to those who work in it. Staffing levels will be improved and a new function, opportunity planning, will be introduced across the province. Services at the local level, such as child care and other employment supports, will be greatly enhanced. Income support for persons with disabilities will remain at the provincial level, with improved caseload ratios and an effective link to an expanded VRS program.

Most important, we have responded to the universal pleas of staff that major reform of the system take place. The difficulties created by changes in roles at both levels are acceptable, we believe, to those who now work in the system, provided that they are introduced in a sensitive manner that protects individual rights and provided that they are part of much broader reform.

RECOMMENDATION 191

Staff affected by changes in roles and responsibilities and their representatives should be fully consulted and involved in the planning and implementation of the proposed changes.

Co-ordinated Policy-making and Planning

We have suggested throughout this report that changes in social assistance must be part of much broader reforms affecting all who are economically disadvantaged. For example, social assistance will continue but the program will become smaller as provincial or national income support programs for disabled persons and for children are introduced. Changes within the social assistance system will blend with new policies relating to income supplementation, the minimum wage, employment, and housing. The program itself will have a much greater capacity to assist recipients to identify and obtain the related supports they need. There will be much stronger provincial direction and control, but, where possible, the program will be delivered by local governments.

We have also defined broadly the range of social and support services to which recipients may need access if they are to achieve independence and integration within the community. We have assumed that the present mix of service providers will remain. Moreover, we have recommended that mainstream service delivery systems be used increasingly as the point of access for all who are in need, including recipients of social assistance.

This breadth of perspective makes more difficult the question of how to accomplish the needed reforms – and in particular, how to ensure co-ordinated planning and policy development within and among three levels of government. What organizational changes or new co-ordinating mechanisms must be in place to support the new system we envisage?

In addressing this issue, we have sought to recognize the important roles all three levels of government have in the planning, funding, and delivery of income and social and support services to the economically disadvantaged. At the provincial level, this responsibility touches many different ministries of government. We have attempted to support our belief that there must be much greater provincial control over the design and delivery of a unified social assistance program. Finally, we also accept

Voices

United Ways of Ontario

Historically, the Province has frequently made program and funding decisions that require local funding from municipalities and/or the voluntary sector (essentially United Ways). These decisions have often been made without prior consultation with United Ways as to their assessment of the local need or ability to financially support the program. In effect, the Province has decided what local priorities and local responsibilities should be without reference to local municipal or voluntary resources.

Legal Assistance of Windsor

The social assistance system should be administered provincially to permit integration of all services affecting the disadvantaged. LAW *recognizes a real need to create and strengthen linkages between programs and services offered by the Ministries of Housing, Health, and Community and Social Services (e.g. Children's Aid Societies, Family Service Bureaus, the Ontario Housing Corp., Health Units, Vocational Rehabilitation Offices and the Ontario Legal Aid Plan, etc). Provincial administration is dictated in view of the breadth and social policy considerations inherent in legislative amendments, as well as by the need to have consistency in interpretation and application of legislation.*

that much can be achieved through enhanced planning and co-ordination at the local level.

The Federal Government

The federal government's massive role in income security and its present and potential role as a setter of national policies and standards in this area mean that it must be a major participant in the design of the new system. The specifics of federal involvement, as outlined elsewhere in this report, include the following:

- reform of cost-sharing arrangements as set out in the Canada Assistance Plan and the Vocational Rehabilitation of Disabled Persons Agreement to support the recommended changes within the social assistance program (included here would be cost-sharing conditions that would ensure a greater measure of consistency between provinces);

- negotiation of the broader changes proposed in Chapter 3 relating to the children's benefit and the disability benefit;
- involvement in the tripartite negotiations with the provincial government and the First Nations to create a Native-designed and Native-controlled social assistance system, as a prelude to Native control of social services and broader moves towards self-government;
- continued development, with the provincial government, of co-ordinated employment policies and programs for persons with few skills and poor work experience, building upon the recently signed "four-cornered agreement"; and
- participation in approaches taken at the local level to co-ordinate the planning and delivery of employment programs.

The Provincial Government

SOCIAL ASSISTANCE POLICY

An essential prerequisite to implementation of the reforms we have proposed for the social assistance system is the commitment of substantial resources for policy development by the ministry responsible for social assistance. Throughout this report we have referred to the relative policy vacuum that has existed in relation to a system that consumes about $2 billion each year. It will require a major emphasis on policy work to make this a program that is developed and maintained according to the principles we have articulated.

Extensive work is required to establish the elements of a new, unified social assistance system, to incorporate these in new legislation, and to establish and monitor the standards that must be met by those delivering the program. There must be a much greater capability to develop service plans with local government and to monitor both the quality of service and the expenditure of provincial funds.

A crucial component of future provincial policy work must be a commitment to broad public consultation with those affected by the proposed changes, beginning with the discussions that take place on this report and on the new omnibus legislation that is developed to implement our recommendations. One result of the absence of strong, visible policy work in this area has been an insufficient emphasis upon consultation, extending to those who work within the system such as local government administrations, who are partners in the delivery of social assistance, and those who are or who have been clients of the system. Such consultation must be accompanied by the measures we propose in Chapter 10 to create the broad public awareness and consensus that will make major change politically and economically feasible.

RECOMMENDATION 192

The provincial government should commit more resources to enable a major emphasis to be placed on the development of social assistance policy, including broad public consultation with those affected.

STRATEGIC POLICY FOR THE ECONOMICALLY DISADVANTAGED

Achievement of the objectives we have established will require strategic planning for the economically disadvantaged that extends well beyond the ministry responsible for social assistance. We have emphasized complementary reforms in such related fields as housing, health, education, training, employment, and labour. All these changes must be reflected in the broader economic strategies formulated by the provincial treasurer and the government as a whole. Without an integrated government policy for the economically disadvantaged that contains clear and measurable objectives and provides direction to each of the relevant ministries, the changes we propose for social assistance will have only limited impact.

We have considered the mechanism proposed by the Ontario Health Review Panel to develop a strategy for health in Ontario: the creation of a Premier's Council with key representatives from inside and outside government. While we are unsure that this proposed structure would be effective in the context of social assistance, we would echo the panel's view that strategic planning at a senior level "must provide for the clear articulation of priorities, the resolution of conflict and the formulation of new policy initiatives. It must have the highest level of political commitment".[3] Whatever mechanism is chosen to achieve this objective, it is essential that the government periodically state in measurable terms what it plans to achieve for those most disadvantaged in this province.

RECOMMENDATION 193

The provincial government should develop a strategic plan for the economically disadvantaged to guide policy and program activity for all relevant ministries.

PROVINCIAL REORGANIZATION

We have considered whether achievement of the reforms we have proposed would be facilitated by a restructuring of the related ministries of the provincial government. We approach this issue with two reservations. First, we are apprehensive that reorganization could obscure or delay more substantive reforms, which we consider of primary importance. Second, the links between programs and policies that must exist in future are such that boundary lines would still remain, no matter how the ministries are restructured. Integration of social assistance and employment programs is consistent with our overall objectives, for example, but could create new problems for those in need of social or support services, such as child care, that are provided through the social services ministry. On the other hand, we know already the problems that arise when social assistance is organizationally separated from the ministry responsible for training and employment programs.

Reference to other Canadian provinces demonstrates the breadth of possibilities, but with no evidence that any one approach is a guarantee of success. For example, social assistance is placed on its own in New Brunswick, combined with employment programs in Quebec and Manitoba, and linked with housing programs in British Columbia. All the other provinces combine social assistance with social services.

We are aware that the Ontario government has recently reviewed the program responsibilities of several ministries, including the ministries of Health and of Community and Social Services. Having had only a limited opportunity to examine this issue, we cannot comment at length. However, we would strongly discourage any proposal to create a separate ministry to deal with social assistance alone. Not only would this divorce the program organizationally from the range of services and supports we see as essential, but it would violate – at least symbolically – our mainstream principle. It would invite narrow solutions directed only at those requiring social assistance. It would not reinforce the need for collective efforts by many ministries. We would be concerned about the strength of a ministry that spoke only for those who, in the past, have not been regarded as a high political priority.

In Chapter 6, we recommend that the provincial government bring together into one ministry the wide range of programs directed at assisting disadvantaged persons to move into employment. This would be an important first step in the attempt to co-ordinate what is now a confusing mix of players and programs for those with employment difficulties.

The linkage between social assistance and employment programs is absolutely essential and will become more so in the future. Initiatives such as the four-cornered agreement, along with a government-wide strategy for the economically disadvantaged, might make further organizational restructuring unnecessary. If these measures seem insufficient, then the melding of social assistance and employment programs into one ministry should be considered. However, this must be accomplished in such a way that it does not create new and larger barriers, especially for those who seek the social supports that make employment possible and for those whose opportunities are outside the labour force.

The proposed provincial strategic plan for the economically disadvantaged must guide policy and program activity within several ministries. If such separate activity is to merge in the form of concrete programming for people in need and if it is to encourage and support local planning efforts, then the provincial government must improve its capacity to develop and present integrated plans at the community level. It is at this level that the crossing of boundary lines between large government ministries is most apt to occur. It is also at this level that the results of poor planning become most apparent, as lack of co-ordination contributes to the failure of both individuals and programs.

Serious effort needs to be given to the task of bringing ministries together as broader objectives are translated into more concrete, decentralized program plans. A co-ordinated plan for each area of the province would establish measurable goals for social assistance, including resources assigned to opportunity planning and the results such planning is expected to achieve. It would outline the specific training and employment programs to be made available, along with the mandatory employment-related supports, such as child care. It would set out plans to increase the supply of affordable housing for those of modest means. Community programming to ensure that the health care system is able to provide rehabilitation services, assistive devices, and needed preventive health services would be outlined. The plan would map out programs for abused spouses, potential school dropouts, and young people in the midst of family crises. It would include proposals to increase integrated employment opportunities for persons with disabilities and to increase the capacity of mainstream services to meet their needs.

This brief outline suggests the complexity of creating such a plan. However, without one, the opportunity planning function will be less than effective and there will be a slow return to separate and stigmatizing services for social assistance recipients alone.

A good starting point would be with the ministries of Community and Social Services, Housing, Health, and Skills Development. To support the planning process, some attempt must be made to rationalize existing variations in regional and area boundary lines, planning and funding cycles, levels of delegated authority, and use of local planning mechanisms.

RECOMMENDATION 194

Changes in organizational structure and accountability within the Ontario government should include locating all employment programs for the disadvantaged in one ministry. If necessary, consideration should be given to the viability of locating social assistance and employment programs in a single new ministry.

RECOMMENDATION 195

Consideration should be given to improving provincial planning and co-ordination of social assistance and related programs at the regional and area level by:

- **developing more uniform regional and area boundaries, planning and funding cycles, levels of delegated authority, and use of local planning mechanisms among the relevant ministries; and**
- **creating regional or area plans with measurable goals and objectives. Such plans should include a statement of the objectives and resources for social assistance and for mandatory employment-related services such as child care.**

Local Planning and Co-ordination

Earlier in this chapter we recommended the delivery of social assistance by local government where specific conditions and service standards established and monitored by the provincial government can be met. We have not proposed major change in the mix of public and private agencies from which recipients receive the services they need, apart from increasing the emphasis upon mainstream programming. In the social services area in particular, one of Ontario's strengths has been its reliance upon multiple, small, non-profit organizations to deliver services along with provincial and local governments. The committee's support of local delivery extends to the belief that there must be a strong local voice in the planning of the services to be delivered. In this, we reflect the growing awareness of the senior levels of government that communities must be active participants in the planning process.

There is evidence to support the view that community involvement in planning and co-ordination increases the likelihood that the services created will accord with local needs and preferences. Although some have had difficulties in the early stages, the work of such bodies as District Health Councils, District Working Groups, and Children's Services Co-ordinating Advisory Groups supports this conclusion. There is growing evidence that local planning of employment services is effective in a way that national and provincial planning is not. A paper prepared for this committee states that community-based economic development "requires a team effort of local interest groups and organizations including municipal governments, schools, community agencies, and business. Efforts are made to consolidate public and private resources to create enterprises that make it possible for communities and individuals to be self-sufficient."[4] The paper cites two projects – JAL (referring to the constituent villages of St-Juste, Auclair, Lejeune, and Lots Renversés) in Eastern Quebec, and New

Dawn in Cape Breton – as evidence of successful community economic development.[5] Both communities suffered heavy losses of their traditional economic base (forestry in Quebec and steel in Cape Breton). These alternative economic organizations were specific responses to local underdevelopment and unemployment.

Local input is particularly important when one has identified, as we have, the need for increased community awareness of the problems faced by those at greatest economic risk within the community. Finally, a strong local voice is essential as a support and response to the co-ordinated provincial planning we have said must exist at the regional or area level. A provincial commitment to consult with those affected by new policies and programs will not be as effective without a means of organizing and presenting local needs and preferences.

Three factors make the development of effective local planning models in this area extremely difficult. One is the breadth of services involved, if the focus is to be upon those social and support services that are essential to effective opportunity planning. Complicating the task is the need to recognize not only that several provincial ministries are involved, but also that the federal government has a major role to play in the planning and provision of employment programs. Finally, any new structure must contend with the large number of planning and co-ordinating bodies already located at the area and community levels, whose mandates at least relate to and often overlap with the role that would be assigned to a new player. Recent examples are the Local Advisory Committees, Future Committees, and Job Development Committees established by Employment and Immigration Canada and the Community Industrial Training Committees created by the Ontario Ministry of Colleges and Universities – all directed at establishing a greater local voice in the identification of employment needs for disadvantaged groups. To propose one more local planning model without a clear understanding of its role and utility in the present environment would be unproductive at best.

We have not proposed models that would unify the delivery of all services to social assistance recipients through one structure (for example, Quebec's Centres Locaux de Services Communautaires, which bring together health and social services[6]) or models that control the point of access to a range of services (such as the proposed "one-stop access" models for community health and social services for the elderly in Ontario, which will use municipal public health boards or departments or special-purpose bodies as delivery agents[7]). While such approaches may contribute to local co-ordination, they are best suited to a narrow range of services or to specific client groups. For a broad range of services to be delivered across a diverse client population, a single-access model may become unwieldy; and such a model may be less applicable to the Ontario environment, which has traditionally relied heavily upon smaller, more diverse organizations for the delivery of services.

Neither have we proposed the development of special-purpose bodies, elected or appointed, such as the regional boards proposed in the report of the Commission of Inquiry into Health and Social Services in Quebec.[8] We think that creating another intermediate decision-making body between the province and the community level carries more risk than it does promise.

In the committee's opinion, no one model should be introduced on a province-wide basis as a new structure to increase the community's voice and role in the planning and co-ordination of services. Given the nature and size of the mandate, it seems premature to decide which approach, or even whether one approach, is desirable. Nor do we believe that the creation of one more stand-alone structure reflecting narrow jurisdictional boundaries will necessarily constitute a move towards greater overall co-ordination of services.

Any models that are developed should build on an acceptance of local government as a focal point for planning and co-ordination efforts. Local governments within Ontario vary widely in size, resources, and political interest in this field; however, we do agree with those who argue that there is "a reasonable case for involving local government more in the planning of health and social services"[9] and employment-related services that move social assistance recipients and others towards self-sufficiency. Planning models that stand apart from local government could lack the accountability to the community and the broad public interest that must accompany such activities.

Any model that is created should contain those elements that past experience suggests are tied to probable success. These include the following:

- clarity of mandate and accountability;
- adequate resources for the planning task;
- the ability to influence decision-making about priorities and program design;
- a sufficiently broad mandate to encompass the range of needs that must be addressed;
- ability to educate and work closely with both local elected officials and the local public; and
- clear differentiation between the local planning process and the senior government planning process, with clarity as to content, expectations, and linkages.

Given the complexity and uniqueness of any attempt to produce local co-ordination and planning on this scale, we believe that an appropriate approach would involve a small number of pilots in selected municipalities, with emphasis placed upon an evaluation of their effectiveness. Such pilots might include the following:

- Existing models, such as the Waterloo Social Resources Council, could be given an expanded mandate: to develop an area or regional plan for the economically disadvantaged that responds to federal and provincial planning in this field.

- Local bodies that plan and implement community-based employment programs could be used as effective means of achieving local co-ordination.[10]
- In Chapter 5, we recommend using local organizations with a history of bringing the community together to engage in opportunity planning. Such an organization delivering opportunity planning could also be asked to create a broader plan for the economically disadvantaged in the community as a means of supporting local co-ordination and providing a community voice in the planning that is done with the provincial government.

We would recommend against expenditures of substantial resources and effort on the development of new planning bodies before our present knowledge base improves. However, this does not diminish the importance of the objective. Ultimately, the test of whether any one model has been successful would lie in its ability to increase the community's awareness of the needs of its disadvantaged members, as well as its voice and role in the fashioning of answers that meet those needs at the community level in accordance with our objectives and principles.

RECOMMENDATION 196

Innovative community-based pilots should be introduced to enable an evaluation of the effectiveness of different models for local planning and co-ordination of social and support services for the economically disadvantaged.

New Funding Arrangements

This section is primarily concerned with provincial-municipal funding arrangements. Federal-provincial cost-sharing is treated separately in Chapter 10.

As we saw earlier in this chapter, present cost-sharing arrangements are complex and work against our objectives. Cost-sharing arrangements must support the new program and complement the changing roles and responsibilities we have proposed. The most well-articulated objectives can come to naught if funding arrangements do not support them. For many municipalities, the possibility of assuming the role we have envisaged for them depends upon appropriate cost-sharing arrangements. In addition, because our overall proposals require added funds, appropriate cost-sharing arrangements become one important way of ensuring that the necessary funds are there to implement them.

Social assistance funding arrangements are also part of a broader funding context that includes cost-sharing of other social programs (such as child care, child welfare, and care for the elderly) and the whole range of provincial-municipal transfers. New

Voices

Ontario Division, Canadian Union of Public Employees

Some municipalities are less affluent than others (and some local councils more hostile to welfare recipients). This means that where municipal expenditures are discretionary, the existence and quality of services can vary considerably. To our point of view, such variation is unacceptable. If the Province were to assume the municipalities' share of program financing, the Province would be in a position to set and enforce uniform standards across the province. Municipal administrators require a degree of flexibility in administering programs in order to service the needs of the local constituency, but such flexibility could be built into regulations.

Hamilton Social Planning and Research Council

It is at times when Regional Municipalities have the greatest demands that their local economies are least able to provide the mandatory contribution. Overburdened municipal tax bases do not correspond with the ability to pay!

Constance R. Girley, Elginburg

Other wealthy municipalities with broader tax bases provide services that would boggle the mind of the small Municipalities. These wealthy Municipalities do not sit back and react to Provincial initiatives but rather plan and provide programs that they see as necessary to their clientele in order that they may become self sufficient once again.

funding arrangements for social assistance will directly affect what is possible in this broader context.

New funding arrangements must be developed with the recognition that the social assistance system will be much different when the reforms we have recommended are introduced. These reforms will increase costs, as outlined in Chapter 11. In the short term, under the present funding arrangements, both the province and the municipalities will be contributing added funds. For example, the municipal share of Stage One costs would be approximately $31 million, in addition to their current annual costs (in 1986/87, $160 million to $170 million). However, as elements of our longer-term proposals are introduced, the major new costs will accrue to the senior levels of government, and the municipal contribution to social assistance should diminish. This would occur even if nothing were done to change the funding arrangements, because at Stage Five, the number of people who will be in the social assistance program will be much lower.

Current Cost-Sharing Arrangements

Any discussion of appropriate cost-sharing of social assistance must proceed from an understanding of the present cost-sharing arrangements for social assistance and the funding arrangements for other programs. When the wider range of social programs is taken into account, the great variety of cost-sharing arrangements becomes clear. In addition, provincial-municipal cost-sharing extends well beyond the field of social services.

The cost-sharing ratios for other social programs and for specific items within other social programs are different from those used in funding social assistance. Some of the cost-sharing arrangements for homes for the aged and care for the elderly are indicative of the variation.

Capital costs for municipal homes for the aged are shared 50-50 by the provincial and municipal governments. The costs of residential care and services in those homes are shared 70% by the provincial government and 30% by the municipality. (Federal block funding for homes for the aged is available to the province under the Federal-Provincial Arrangements and Established Programs Financing Act.) For extended-care services in homes for the aged, the regular cost-sharing ratio is 70-30, except for the difference between the basic co-payment rate and the per-diem ceiling, which is covered in full by the province. The costs of homemakers and nursing services and of home support for the elderly, when delivered through a municipality, are subject to different cost-sharing arrangements, thus adding to the overall complexity.

There are also many other areas governed by provincial-municipal cost-sharing. In the 1988 Ontario budget, planned payments to local governments for 1988/89 were expected to exceed $8.3 billion. These payments are divided into conditional and unconditional grants. Over half of all conditional grants go to school boards; the remainder provide funds for a wide array of services and agencies at the local level, such as transportation, health care, and conservation authorities. The unconditional grants provide secure funding for basic local services while recognizing resource inequalities among Ontario communities; these include grants for resource equalization, Northern Ontario support, and revenue guarantees.[11]

There are also some mechanisms for recovering costs from municipalities. For example, there is a charge-back for water and sewer systems that are built by the Ministry of the Environment for about 250 smaller municipalities.

This brief listing shows only some of the ways in which the provincial government transfers funds to municipalities, requires municipal contributions, provides a cushion against sudden changes in funding to local governments, and attempts to compensate for the variation in strength of the municipal tax base across Ontario. It demonstrates the plethora of cost-sharing arrangements in various services; those applicable to social assistance represent only some of the myriad of possibilities.

Municipal Revenue Sources

The property tax has been the primary source of revenue for municipalities for many years. In 1984, it accounted for 42% of municipal operating revenues, while grants from the province accounted for 29%, and user fees and other revenue accounted for 25%. (User fees include water billings, public transit fares, per-diem rates for homes for the aged, and recreation program fees. Other revenue includes licences, permits, rents and concessions, interest and penalties on taxes, investment income, and reserves.) Payments in lieu of taxes accounted for the remaining share of revenue (between 3% and 4%).

The trend across Canada since the 1960s has been towards a gradual de-emphasis on the property tax as a source of revenue to finance municipal services. Between 1960 and 1977, property taxes dropped from two-thirds of the total revenue of Canadian municipalities to one-third.[12] Recent evidence confirms that this trend has continued into the 1980s. However, despite this general trend, there is also a tendency for the pressure on property taxes to increase in times of economic slowdown. One reason is the increase in local government expenditures in the area of social assistance. In bad economic times, more people are out of work for longer periods. When they run out of unemployment insurance, they turn to GWA as a last resort. In the most recent recession in Ontario, expenditures on GWA increased by an average of almost 26% in 1982 and 29% in 1983. In Northern Ontario, the increases were even more substantial.

Compounding the problem of increased caseload is another factor. During a recession, the ability to raise revenues from the tax base is weakened, as industrial plants close down and some residential properties are abandoned. This weakening affects all levels of government, but municipalities, with their heavy reliance on the property tax, have more limited taxing options than senior levels of government.

Municipalities have widely varying capacities to raise tax revenue, regardless of whether the economy is buoyant or stagnant. There are municipalities like Metropolitan Toronto – which contains a population of some 2.5 million and has a valuable commercial, industrial, and residential tax base – and there are municipalities that comprise a rural township area and a few villages with a combined population of a few thousand and a tax base that is relatively poor. Yet if we are to have a system that is consistent and equitable across Ontario, these very different municipalities should be providing the same social assistance program. There are mechanisms, such as the resource equalization grant mentioned earlier, to partly balance the discrepancy in size and resources among municipalities, but they do not fully close the gap. The result of the variation in capacity to pay is that the small municipality with a small property tax base will naturally tend to be conservative in initiating new services or paying for non-mandatory ones.

Limitations on the Committee

In two respects, the committee's ability to recommend meaningful reform of funding arrangements for the new social assistance program was significantly compromised. These limitations relate to our mandate, and to the unresolved debate over the property tax.

It is extremely difficult to make decisions in this area without consideration of the overall provincial-municipal cost-sharing arrangements, because of the obvious interrelationships among various financial transfers. A fundamental change in cost-sharing arrangements for social assistance could have a real impact upon the ability to provide service in other cost-shared program areas.

Much of the present complexity in cost-sharing arrangements is the result of a general failure to consider the broader interrelationships when establishing new funding arrangements. In the cases of social assistance and social services, the provincial government has recognized this problem and appointed the Provincial-Municipal Social Services Review (PMSSR) to make recommendations. However, even the PMSSR's mandate may be too narrow, because it is examining only social programs, and not all the other parts of the provincial-municipal funding picture, such as grants for transportation and policing. Nor is it looking at voluntary-sector funding, which is a significant factor in the field of social services. If (as the PMSSR has proposed) the objective is to make no changes that alter the overall municipal contribution, it becomes impossible to consider only one area of cost-sharing on its own. A broader analysis is required but was well beyond our mandate and our capacity within the time available to us. Accordingly, we have limited our proposals and have directed them at those who will be engaged in the broader review that is necessary.

Throughout our consultations, the most common argument put forward in favour of relieving municipalities of cost-sharing responsibility for social assistance related to the property tax, which is seen by some as regressive – that is, it takes a greater percentage of low-income earners' wages than of affluent people's income. The Social Planning Council of Metropolitan Toronto, for instance, urged that "as part of the proposed re-structuring of benefits, municipalities be relieved of the burden to fund welfare through property taxes and [that] the full cost of social assistance be funded by senior levels of government through the more progressive income tax base".[13]

However, a review of research on the subject of the property tax revealed no firm conclusion on the regressivity issue. A research document published in 1984 by the Canadian Tax Foundation said: "Unfortunately, there is no simple or obvious answer to this question...Perhaps the safest and best comment that can be made as a result of these studies is that the new view indicates that the property tax is not as regressive as the traditional view claims nor is it likely to be as progressive as some of the advocates of the new view have suggested...Further research and analysis are required before any definitive and conclusive position can be taken."[14] There are other arguments related to the appropriateness of the property tax as a vehicle for financing social assistance. But the most prevalent argument, based on alleged regressivity, is not one on which we could take a "definitive and conclusive" position.

Proposals for Reform

Within these limitations, the committee reached a number of conclusions.

Social assistance is too volatile a program to depend upon the relatively small tax base of many municipalities. Social assistance is also a mandatory program, in the sense that allowances and benefits must be paid when need exists. Funds must therefore be found from other municipal program budgets, if necessary, when there is an unexpected increase in the need for social assistance. In addition, as we noted earlier, in periods of economic slowdown, the tax base is eroded at the very time when the social assistance budget is most strained by an increase in people in need. These reasons alone, in our view, make the social assistance income program the least appropriate of all social programs to depend for part of its funding on the municipal property tax.

RECOMMENDATION 197

The full financial responsibility for social assistance allowances and benefits should rest with the senior levels of government.

Another reason for removing financial responsibility from local governments involves the overall proposals for reform in this report. We have expanded considerably the provincial control over the income side of the program, which would seem to argue in favour of provincial funding. We have examined the funding arrangements in other Canadian jurisdictions, where the trend has been to move away from any municipal cost-sharing of social assistance. We have also looked at the evolution of other components of income security in Canada, which also indicate a trend to move programs to the senior government levels. Our approach corresponds with both these trends.

Significantly, provincial funding of social assistance removes any disincentive to reading eligibility criteria broadly, thus promoting a consistent quality of service across Ontario. At the same time, we are satisfied that effective monitoring and service planning by the provincial government and the municipalities can ensure that funds are spent appropriately, notwithstanding the absence of a municipal contribution.

Overall, the proportional contribution of the municipal sector to the cost of social services has been declining. Our recommendation that the provincial government assume the full cost of the income side of social assistance is not a decision that the resultant savings should simply accrue to the municipalities. We expect that the Provincial-Municipal Social Services Review will address the best method of avoiding this result.

RECOMMENDATION 198

Appropriate adjustments should be made in provincial-municipal cost-sharing arrangements to ensure that there is no major windfall to local governments from changes in cost-sharing of social assistance allowances and benefits.

The municipal contribution will actually increase in some areas. As an example, we have proposed increased municipal expenditures for the administration of social assistance, such as for opportunity planning. In addition, we have recommended that certain related services, such as child care, be mandatory; this change would also raise municipal costs in this area substantially.

We believe that some local government funding responsibility should be retained in the area of administration. We have called for substantial flexibility for local government in decisions on how to provide opportunity planning for clients and who in the community should provide it. This is an area in which there will be much less direction and control from the provincial government. Consistent with our objectives for funding arrangements, there must be appropriate financial incentives to operate the program in an efficient and effective way.

However, we want to avoid creating any disincentive to delivering the program, which would be created if a participating municipality had to assume some of the administrative costs while a non-participating municipality did not. Therefore, some means must be found to ensure that municipalities who meet the conditions for delivery and are willing to take on the responsibility are not penalized financially. Our research pointed to many options for achieving a fair sharing of costs, but little clarity as to which is most suitable in the context of one program. The options include but are not limited to the possibility of a charge-back to municipalities not delivering the program as part of a local equalization formula; a charge-back based on a percentage of the municipal resource base; unconditional general community service grants as an incentive to municipalities that deliver; and reduction of unconditional grants to compensate the provincial government for its increased costs.

This is an extremely complex decision, with major ramifications. Considering that the PMSSR will be reporting to the government during the period of development of new social assistance legislation, we decided to leave recommendations about the specific mechanism to that review group.

RECOMMENDATION 199

Municipalities should contribute to the cost of administration, including opportunity planning. Such a contribution should be made whether or not the municipality delivers social assistance.

RECOMMENDATION 200

The Provincial-Municipal Social Services Review should complete its work, using the funding recommendations in this report as a guide. It should develop a specific proposal for sharing administrative costs that takes into account differing municipal abilities to pay and avoids disincentives to taking on delivery responsibility.

Interim Measures

SUPPLEMENTARY AID

Supplementary Aid to FBA recipients with disabilities is now provided under GWA legislation through municipal welfare offices, with a 20% municipal financial contribution. We are recommending that Supplementary Aid to disabled persons be transferred to the provincial level for delivery; the funding responsibility should also be transferred.

RECOMMENDATION 201

In the short term, full funding of Supplementary Aid to persons with disabilities should become a provincial responsibility.

SPECIAL ASSISTANCE

Since we have recommended that a number of items that are now non-mandatory under Special Assistance should be made mandatory, it is appropriate that they should be funded at the same cost-sharing ratio as the income program. This change will reduce the municipal share of Special Assistance costs from 50% to 20%, thus removing the financial disincentives now built into the cost-sharing arrangements.

RECOMMENDATION 202

In the short term, 80% of the cost of Special Assistance for GWA clients should be funded by the provincial government, at least for those items that become mandatory.

To further eliminate funding disincentives in the existing cost-sharing arrangements, an interim adjustment could be made in the sharing of administrative costs. Currently, municipalities assume a greater proportion of administrative costs (between 50% and 100%) than they do of the costs of allowances and benefits (20%). However, it is the spending on administration – for example, the costs of well-trained caseworkers – that contributes most to the transition objective.

RECOMMENDATION 203

In the short term, consideration should be given to reducing the municipal share of administration costs for social assistance by introducing a provincial share, provided that this does not interfere with longer-term cost-sharing arrangements.

Within the limitations placed on the committee, we have proceeded as far as we believe is possible without the answers that will come from the broader review of cost-sharing that is under way. We believe that our recommendations are appropriate ones for social assistance, given the objectives we have established for the program. However, their ultimate value must be tested within a much broader context, one that considers appropriate cost-sharing arrangements for all relevant services.

9

NATIVE COMMUNITIES

This chapter deals with the Native peoples of Ontario and their vision of how to help themselves – how to break out of the circle of poverty and dependency.

In approaching the concerns of Native peoples as a separate issue in this report, we are departing from the approach taken in other areas. This is the only chapter devoted exclusively to a particular group of citizens: those whose ancestors were the original inhabitants of this land. The choice was a considered one. It reflects the unique position of the Native peoples of Canada. It also flows from the basic objectives of this committee.

An understanding of the history of Canada's original peoples, their special place in this country, and their current circumstances is essential in establishing a context for the committee's approach to social assistance and the Native communities of Ontario. This "history" is really only a modern footnote to a rich heritage that extends back thousands of years.

Indian people must help Indian people. Indian communities must define their own problems and solutions, and help themselves first.

Mississauga Indian Band Council, Blind River

It is estimated that the first Paleo-Indians arrived in Southern Ontario from the American southwest about 11,000 years ago. When European explorers and settlers arrived here, they discovered – and thoroughly misunderstood – a complex Native civilization, consisting of many separate nations, each with its own culture, traditions, and language.

Since the arrival of the first colonizers some 400 years ago, Canada's Native peoples have been struggling to maintain their distinct cultures, to protect their traditions and their lands. It has been a bitter and uneven struggle against the onslaught of non-Native societies that claimed the continent as their own.

However, even as European societies were taking over the lands of the original nations and transforming their environment, a special relationship and a special obligation were acknowledged. In the Royal Proclamation of 1763, the Crown undertook to protect the traditional lands and way of life of the Native peoples. That this proclamation still has the force of law has been affirmed in landmark court decisions concerning aboriginal title and aboriginal rights.

In recognition of the special relationship between the Crown and Native peoples, the British North America Act of 1867 vested legislative authority for "Indians and Lands reserved for the Indians" in the federal government. No other group of citizens was so designated in the Constitution. It is this special relationship that the Ontario Confederacy of First Nations and other Native organizations across Canada refer to as the "federal trust".

Aboriginal and treaty rights were recognized and affirmed when Canada patriated its Constitution in 1982. Section 25 of the Canadian Charter of Rights and Freedoms states that the rights of aboriginal peoples cannot be eroded by any other provisions of the Charter. This section was included to ensure that the communal rights of aboriginal peoples could not be abrogated by provisions designed to protect individual rights in society at large.

The special place of Native peoples in Canadian society is based on legal and constitutional foundations, which will be discussed in more detail later in this chapter. However, this committee has not confined itself to legal arguments and constitutional definitions.

It is our view that, morally and politically, Native peoples deserve to be considered separately from the general review of social assistance. Their cultures are quite different from the mainstream society. Their history in Canada is unique. They have suffered disproportionately from poverty, discrimination, and alienation. They have suffered from the very system set up to protect them.

The treatment of Native communities has been documented in a number of studies and histories. A background report prepared for the committee provides a concise review of historical background, along with legal and other issues. The report includes this telling detail:

> The first Indian Act was passed in 1876, although its provisions predate Confederation. That year's annual report for the Department of the Interior, rather more explicitly than would now be fashionable, defined the underlying principle "that the aborigines are to be kept in a condition of tutelage and treated as wards or children of the state".[1]

In the last 100 years, the dominant policy has been the assimilation of aboriginal peoples across this country. However, in spite of this policy and the programs that followed from it, there remain distinct aboriginal cultures in Canada today. It is a testament to the strength and durability of Native cultures that they have managed to survive at all. In fact, the last two decades have seen a resurgence in Native pride and activism across Canada. The focus of much of this new push for recognition of aboriginal rights has been the fight for self-government.

The Committee's Objectives

Throughout this report, we have affirmed that our overall objective is to help individuals make the transition from dependency and exclusion to autonomy and integration. For Native communities, we believe that the only way to achieve this is to vest control of social assistance programs within the communities themselves.

The Native peoples of Ontario do not want to be assimilated into the mainstream of society; they do want to make their own unique place within the broader society. They seek freedom from economic dependency and political isolation, not only as individuals caught in the poverty trap, but as whole communities caught in a stranglehold of paternalism and deprivation.

To ignore the singular position of these people and try to fit them into the solutions we have drafted for society at large would be to perpetuate the attitudes of the past. In Chapter 1, we discussed the principles underlying our recommendations for change, and the necessity in some cases of balancing conflicting principles. We emphasized the primacy of the transition objective. In the case of Native peoples, the goal of transition to autonomy and freedom from dependency applies not only to individuals, but to whole communities.

The kind of local control we are advocating for Native communities is quite different from that now held by municipalities. In fact, in other areas of this report, we argue for the reduction of local discretion in assessing individual entitlement to benefits. In this case, reduction in local discretion provides greater assurance of fairness and equity for people in need across the province. However, in the case of Native communities, there is another and prevailing issue: effectiveness. Service programs that are culturally inappropriate to those in need of them tend to disrupt rather than reinforce and support as they were intended. This has been the experience of Native communities across the province with current social assistance programs and related services. For this reason, we see the solution as an emphasis on community determination of standards and procedures without interference from "outside". By recommending that Native communities have the authority to set their own social assistance programs, we are deliberately opting for cultural appropriateness over monolithic consistency.

Most of the principles espoused at the beginning of this report, such as adequacy and accessibility of assistance, are compatible with the recommendations in this chapter. However, some of those general principles may be interpreted or applied differently by Native communities once they have the freedom to adapt programs to their own needs.

The concept of community is different according to Native values. Native society is much more attuned to community property and community sharing than non-Native society. Decision-making happens much more by consensus than by majority rule.

Thus, some Native communities may decide among themselves to use social assistance dollars in some way to benefit the whole community, as well as individual recipients. They should have the freedom to operate according to their own system of values, without having to justify those values in terms of the dominant culture.

This does not mean total freedom from accountability. However, Native communities would account for the effects produced through the use of funds in their own programs, not for how well that spending met a complex set of prescribed rules.

A Special Consultation Process

The committee had the benefit of submissions from provincial and local groups speaking on behalf of Native people at our public meetings. We also initiated a special consultation process with the Ontario Confederacy of First Nations. That process culminated in a special meeting in Toronto with representatives of the Chiefs of Ontario Planning and Priorities Committee. Prior to that meeting, the First Nations conducted its own review of social assistance to provide a sampling of grass-roots opinion. Meetings were held at the community level around the province, and reports were prepared by the Ontario Native Welfare Administrators Association and the Ontario Indian Social Services Council. A final report was presented to the committee by the Chiefs of Ontario Planning and Priorities Committee. Our committee also had the valuable input of one of its own members, Wally McKay, a former Regional Ontario Chief and currently executive director of one of the first Native Children's Aid Societies in Ontario.

From all we have learned, we are convinced that the singular situation of the Native peoples calls out for an exceptional approach. That is what we propose. In other parts of this report, we have talked of the need for radical change. Nowhere is the need more pressing than it is with respect to Native communities.

To reinforce the need for a new approach, we will first document the desperate economic and social situation that prevails in many Native communities, and the problems with the current social assistance system. Then we will turn to the vision of self-government as expressed to us by Native leaders.

Ontario's Native People and Social Assistance

The Constitution defines Canada's aboriginal peoples as Indian, Métis, and Inuit. The Indian and Inuit peoples had been living in North America for centuries when the first "pioneers" arrived. The Métis peoples have a mixed Indian and European heritage. In this report, the term "Native" includes all persons who identify themselves as descendants of the original peoples.

According to the 1981 census, there are about 110,000 Native people in Ontario. Of those, about 77,000 are status Indians; 21,000 are non-status Indians; 11,000 are Métis; and fewer than 1,000 are Inuit.[2] The distinction between status and non-status Indians was created by the Indian Act. One of the rights of status Indians (those registered under the Act) is the right to live on reserves set aside for Indian bands. About 42,600 Indians live on reserves in Ontario. Of the total population of 110,000, about 46,000 Native people live in Northern Ontario, many of them on reserves in remote areas.

Some Native groups dispute these figures, particularly the totals of Métis and non-status Indians. They argue that the estimates are much too low. The 1981 Ontario Task Force on Native People in the Urban Setting used a "conservative" estimate of 117,000 Métis and non-status Indians in the province.[3] The committee does not claim any competence in evaluating these figures. However, the official census numbers have been used in several studies providing a general profile of economic and social conditions of Native people in Ontario.

It should also be noted that the number of non-status Indians is changing. In the past, an Indian could lose status arbitrarily under the Indian Act for any number of reasons, such as entering a profession. An Indian woman lost her status if she married a non-Indian, but an Indian man did not lose his status if he did the same. Recent federal legislation has removed such discriminatory provisions, and thousands of people who lost their status have regained it or are in the process of regaining it.

Compared with the general population, the Native population suffers disproportionately from chronic unemployment and poverty – and the social ills that tend to accompany these conditions, such as disease, substandard housing, limited education, and family breakdown. To these problems are added the burdens of cultural alienation and discrimination.

The following statistics (from 1980) illustrate the general economic condition of Native communities:

- Of the on-reserve Indian population, 63% of people 15 years and older had personal incomes of less than $5,000 a year.
- Nearly three-quarters of the Native population over 15, on- and off-reserve, had personal incomes of less than $10,000.
- On the reserves, only 36% of the working-age people were employed, compared with 64% of the non-Native people of Ontario.[4]

Of specific concern to this committee is the extent to which Native people and communities are dependent on social assistance.

- Indian per-capita reliance on GWA across Ontario is nine to ten times higher than that of all other Ontarians.[5]
- A 1982 task force study of living costs in the remote Northern areas of Ontario found that almost 67% of the population (over 90% of whom were Indian) were

wholly or partially dependent on social assistance.[6]

- The 1981 report of the Ontario Task Force on Native People in the Urban Setting found that approximately half the Métis and non-status Indians surveyed were unemployed.[7]

It is always dangerous to generalize. We realize that Native communities and people are not homogeneous. They have varying problems and strengths. However, there is no disputing the overall picture: it is a portrait of overwhelming economic hardship and widespread despair. While we do not wish to underestimate the problems of the off-reserve Native population, the statistics indicate that the most severe economic problems face Indian people living on reserves.[8] We recognize that there is "an urgent need to improve the living environment and morale of Ontario's Indian people".[9]

The Delivery System

One of the factors involved in any issue concerning Indian people is the constitutional division of powers between the federal government and the provinces. It affects the way social assistance is delivered and funded.

The Constitution Act of 1867 gave the federal government authority in relation to Indians and Indian lands. Generally, provincial governments have had jurisdiction in the area of social services. To ensure the complementary operation of laws under these two jurisdictions, the federal and Ontario governments signed the Indian Welfare Agreement in 1965. Under this agreement, Ontario committed itself to the extension of all of its welfare programs to Indian people, and the federal government committed itself to contributing to provincial costs for "Indians with reserve status", for the costs of services provided under the General Welfare Assistance Act, the Child Welfare Act (now replaced by the Child and Family Services Act, 1984), the Day Nurseries Act, and the Homemakers and Nurses Services Act. The federal contribution covers one-half of the average per-capita cost of providing GWA benefits and the "exceptional" cost (the portion of Indian per-capita cost that exceeds the average per-capita cost of services to non-Indians).

A set formula is used to calculate the federal and provincial cost-sharing. Since the agreement took effect, the federal share has hovered around 95%, because the average per-capita cost of services to Indians has consistently been nine or ten times the average per-capita cost to non-Indians. This does not mean that Indian social assistance recipients get more money; it means that the percentage of Indian people receiving social assistance is higher, relative to the total Indian population, than the percentage of non-Indian recipients relative to the whole non-Indian population of Ontario.

The federal responsibility under this agreement covers only Indians who are living on reserves or Crown land settlements or who have been living in a municipality for less than 12 consecutive months. It does not include services to all other Native persons – that is, Métis and non-status Indians, Inuit, and registered Indians who do not live on reserves. Applications for GWA from these people are handled through the regular provincial-municipal system, and there are no separate statistics or cost analyses singling out Native recipients. In addition, the province delivers benefits under the Family Benefits Act (FBA) for all Native persons, no matter where they live. The FBA does not come under the provisions of the Indian Welfare Agreement; the Act was passed in 1967, after the federal-provincial agreement was signed. The province is reimbursed by the federal government under the Canada Assistance Plan for 50% of its costs under the FBA and regular GWA.

The constitutional division of powers is fundamental to the way the Canadian federal system works. It is also extremely complicated and can be inordinately time-consuming when there is any dispute over cost-sharing. We will discuss later in this chapter the impact of the Indian Welfare Agreement.

Barriers to Delivery

The General Welfare Assistance Act designates Indian bands as delivery agents for the administration of GWA. The legislation gives bands essentially the same powers and responsibilities as municipalities. A band council passes a resolution, which is sent to the Minister of Community and Social Services, specifying that the band wants to deliver the program. The band appoints its own welfare administrator. Claims and accounts come under review by provincial authorities. Of the 126 bands in Ontario, 101 now deliver their own GWA benefits. The remainder either are administered by the federal Department of Indian Affairs and Northern Development or fall under other administrative arrangements.

Program delivery by bands is preferable to the existing alternative – delivery from outside the community – but it is not a satisfactory arrangement. The provincial rules and regulations are not geared to the Native traditions or way of life. Bands that have tried to bend the GWA rules to make the program more culturally appropriate have often run afoul of existing legislation.

It would be unfair to imply that there has been no recognition of the special needs of Native communities by provincial authorities. However, in spite of general statements of good intentions and some helpful staff-level liaison with groups such as the Ontario Native Welfare Administrators Association (ONWAA), real problems persist. It seems that the most effective programs operated by Indian bands are those that are run in spite of the rules. An ONWAA paper concluded:

> Criteria legislated and used in the administration of regular Ontario social services assistance programs (GWA, FBA, etc.) are often inappropriate and inadequate when considering the living situation

> and needs of Indian clients. While Indians in Ontario urgently require social services to overcome deficiencies in their communities, the services provided to them conflict with Indian patterns of family and community life and compound their needs. Indians need and want social services, but find that the services available are ineffective.[10]

One illustration of how the rules are inappropriate to the situation in reserve communities is the treatment of assets in applications for social assistance. Assets that would be considered recreational luxuries in non-Native society – such as boats, snowmobiles, guns, traps, and fishing gear – are necessities for many Native people, who use them to obtain food and fuel. This is particularly true in the North. However, if the regulations were followed to the letter, Native applicants for social assistance might be required to sell their snowmobiles and other equipment. Furthermore, if traditional Native hunters or trappers are treated as self-employed under the rules, they are ineligible for assistance, even though their occupation may bring in very little money.

Because such realities of life in Native communities are apparent to welfare administrators and others operating in the field, the asset rule is modified to make allowances for such necessities as snowmobiles, and ways are often found to give assistance to people following traditional pursuits, such as trapping. But this is done by bending the rules. Band councils and administrators of Native social assistance should not be put in the position of having to circumvent the provincial rules in order to make the system work for their people. We are not suggesting, by this example, that all assets of Native social assistance applicants should be ignored. However, a more flexible and adaptable system is required that allows for differences in the Native way of life. This cannot be done simply by translating some regulations into Native dialects to "Indianize" social assistance. It has to involve Native communities developing programs that are relevant to their way of life.

In the case of the Native population living off-reserve, the current situation is probably even more discouraging. These Native applicants for social assistance do not have the advantage of being able to deal with a Native welfare administrator. Generally speaking, Native people seeking assistance off-reserve do not have access to culturally appropriate services tailored to their needs. They are "processed" as part of the non-Native system. And they are vulnerable to cultural insensitivity in service delivery.

Cultural insensitivity can be communicated in intangible ways. A submission from the Ontario Métis and Non-Status Indian Association (now called the Ontario Métis and Aboriginal Association) said: "The distribution of social assistance, with its typically impersonal approach, has contributed so greatly to the Native's lack of self-esteem that the 'welfare Indian' syndrome persists as a common stereotype in this country. It adds further to the degradation and current predicament of all Native people."[11]

A submission from the Thunder Bay Indian Friendship Centre indicated clearly that Native people in urban areas will seek out Native-run agencies, if they are available, for help in coping with the system. Among those who contact the friendship centre, "some concerns are of finances, either trying to receive assistance, or in some cases to secure housing, of their eligibility, or having problems in receiving cheques or not happy in situations with social workers".[12]

The report of the Ontario Task Force on Native People in the Urban Setting found that communication and cultural barriers frustrated many Native people who came in contact with a variety of social agencies in Ontario cities. The survey found that the "most negative" experiences of Native clients were with welfare and unemployment offices.[13]

The problems experienced by Indian bands with the social services system have been thoroughly investigated. A tripartite working group, including representatives of the First Nations and the federal and provincial governments, carried out a study and wrote two reports: *A Starving Man Doesn't Argue: A Review of Community Social Services to Indians in Ontario*, in 1979, and *Community Care: Toward Indian Control of Indian Social Services*, in 1980. The review identified Native problems with social services and suggested changes to the system.

In the second report, *Community Care*, the tripartite working group recommended a series of transitional steps that would transfer control and responsibility for Indian social services to Indian communities. The first step would be more flexible interpretation of the Indian Welfare Agreement and existing provincial social assistance legislation. The next step suggested was the adaptation of provincial legislation to meet the needs and requirements of Native communities. The final step involved constitutional recognition of the self-governing rights and powers of Indian bands.[14]

Tripartite negotiations to set this transitional plan in motion are stalled. The Tripartite Council, chaired by the Indian Commissioner of Ontario and consisting of representatives of the First Nations and the provincial and federal governments, received a report in 1986 on a proposed agenda to negotiate social services issues. Substantial moves anticipated by the report have yet to be taken.

The Wider Perspective

Provision of more culturally appropriate and more effective services to all Native persons in Ontario in need of social assistance is a major concern of this committee. However, we are also acutely aware that better welfare services will not deal with the root problems of Native communities. The extent to which whole communities have become dependent on social assistance for survival is symbolic of the deep-seated problems facing them.

Voices

Ontario Métis and Non-Status Indian Association

Welfare dependency continues to increase in our communities, often becoming a primary resource. This is not what we want as a people. We want the chance to function as a productive part of our communities and the larger society. We want to regain self-respect and dignity.

Ontario Native Welfare Administrators Association

It must be assumed that a large majority of Canadians are in favour of government action and programs that are geared to removing the disparity in living conditions between Indian and non-Native people in our country.

Shingoos Métis Non-Status Indian Association, Minaki

We need support, resources and funding to tackle all the problems within the circle. Otherwise, Minaki will remain welfare dependent and our children will continue the trend.

Native communities have felt excluded from decisions affecting their communities, decisions related to economic and social development on and off reserve land. The ability of Indian leaders to tailor programs to meet the needs of their communities has been undermined by the standardized rules and requirements for approvals from government authorities. This problem has persisted despite the transfer of administrative and management authority over a number of federal and provincial programs to Indian bands.

Some Native people have come to perceive social assistance as an instrument of the colonization process, another means of weakening their communities by making them financially beholden to the dominant culture. It is believed that social assistance legislation reinforces the perception of social assistance as compensation for the loss of Indian lands and their unique way of life. Welfare dependency has become a destructive alternative that has contributed to a host of other problems.

The cycle of dependency must be broken. We support the view expressed by the Native welfare administrators: "To break the dependence, the inherent strengths of Indian families and communities must be employed. To mobilize Indian communities to help themselves, the dominance of the larger society, its decision-making and control of services and strategy of providing standardized services must be challenged."[15]

The ONWAA paper also makes this succinct observation: "Everyone is in agreement that social services are no substitute for development."[16] There have been some efforts by the federal Department of Indian Affairs and Northern Development to convert money allocated for social assistance benefits to job creation and job training. Through closer consultation with Native communities, there could be further adaptation of social assistance programs to reinforce development initiatives from within Native communities.

But the opening up of opportunities for people in these communities requires a broad range of economic and political initiatives that go far beyond social assistance programs. Education, employment training, health care, child care, housing, family support services, counselling, social assistance, and economic development all have an impact on individuals, families, and communities. As we have said in other parts of this report, co-ordination in planning and co-operation in delivery are essential to overcome the compartmentalization of services. In the case of Native communities, we must add the vital elements of cultural appropriateness and community control.

Aboriginal Self-Government

The Native peoples have a clear vision of the future they want for themselves. It is a future in which they are in charge of their own communities. The vision of self-government has been eloquently articulated by leaders of Native organizations. They do not seek secession from Canada; they seek self-determination within Canada and a full and equal partnership with the rest of Canada. Determined to preserve the distinctiveness of their own cultures, they want the powers and jurisdiction that will allow them to create their own solutions to their own problems. They want recognition of their inherent right to govern themselves.

The fight for self-government is not really new. But it gained significant momentum in the 1970s and 1980s, as Native organizations across Canada pressed for constitutional recognition of aboriginal rights, and particularly the right to self-government. In 1985, representatives of the First Nations in Ontario and the federal and provincial government signed a Declaration of Political Intent to enter tripartite discussions relating to self-government. In February 1986, the federal and provincial governments and the Nishnawbe-Aski Nation (NAN) signed a memorandum of understanding by which they agreed to negotiate agreements on matters of mutual concern regarding NAN, including powers and institutions of self-government.

But the culmination of much of the work of Native activists was the First Ministers' Conference on Aboriginal Constitutional Matters in 1987. Regrettably, that conference ended in failure to reach an agreement on constitutional recognition of self-government. In the wake of that failure, the Ontario and federal governments reaffirmed their promise to pursue the negotiation of self-government agreements with Native communities.

The Native peoples are understandably frustrated and impatient. This committee appreciates the effort that has been made to provide us with the views of the First Nations and Native people living off-reserve. We recognize that there is some suspicion that our report will be just one more study of Native problems that will come to naught – or, worse, will result in the imposition of more "solutions" that are contrary to Native values. We hope that the recommendations we propose in this chapter will make a real contribution to the realization of the aspirations of Native peoples.

The Ontario Confederacy of First Nations has identified four principles for development of social and other community services. These services must be:

- First Nation-specific, reflecting their culture in form and content;
- First Nation-determined, involving control over planning and development;
- community-based, with services developed and delivered within communities; and
- First Nation-controlled, with operations managed under the authority of First Nation councils and laws.[17]

These principles provide a benchmark against which to measure the progressive development of social assistance services for Native people in Ontario. They represent a direction that this committee supports.

We realize that in order for the First Nations to achieve their goals of "self-determination, self-government, social responsibility and self-sufficiency",[18] they must have control over their own communities in areas beyond social assistance. But the focus of this committee's work is social assistance. We do not have a place at the tripartite bargaining table. We are not putting forward any suggestions for achieving self-government.

We are in a position, however, to strongly recommend that any changes to be made in the social assistance system affecting Native people be consistent with the objective of self-government. No regulation or legislation should be passed that could interfere with or compromise the realization of self-government. If deemed necessary by the Native peoples, a non-derogation clause should be included that specifically protects aboriginal rights from infringement.

The drive for self-government is not confined to reserve communities. The Ontario Métis and Aboriginal Association said:

> It is appropriate, then, that we are given the opportunity to look after our own people in a way which would be most effective and culturally-relevant. History has proven that as long as Native society had a secure economic base, they were able to take care of their own social needs. Our

NATIVE COMMUNITIES

> Native "communities" must have control over the design and actual application of their welfare programs and services.[19]

The government of Ontario has committed itself to negotiating self-government agreements with off-reserve as well as on-reserve communities. As yet, no mechanism has been established to provide for tripartite negotiations involving off-reserve Native groups. But Native off-reserve governing authorities of some kind may result from future negotiations. In this context, reform should be consistent with the goal of Native-designed and Native-run social assistance services and programs.

Reforms and Transitions

The first step in moving towards the vision of the Native peoples to design and deliver culturally appropriate social assistance and related services is consultation. Without it, trust will be lost before the process gets started. We are aware that governments in general have a reputation of consulting after the fact, when policies or regulations are already drafted. Native leaders feel that even when they are asked for their views, their suggestions rarely result in any real change. It is imperative that Native communities be involved in the initial phases and at every step of the process of reforming the system, including the actual drafting of legislation. There must also be close co-operation, consultation, and support through the implementation process.

RECOMMENDATION 204

The Native peoples of Ontario should be involved in all phases of reform of social assistance as it applies to their communities, including the drafting of legislation and the process of implementation.

Three transitional steps are necessary: short-term reforms that do not require legislative change; new legislation specifically directed at Native communities, giving them wide discretionary powers to design and deliver their own social assistance programs; and ultimately the transfer of legislative control over social programs to aboriginal governments. These steps are transitional, but progress towards their implementation should also be concurrent. The short-term reforms should be carried out immediately. The work to develop provincial legislation to support Native-controlled and Native-delivered social assistance also should begin immediately. We also urge the Ontario and federal governments to commit themselves to negotiate changes in the Indian Welfare Agreement with the First Nations and to develop a framework for negotiating transfer of legislative control over social assistance and related services to First Nations governments.

TRANSITIONS

In general, social assistance reform is a matter within the authority of the provincial legislature. As a matter of constitutional law, a general social assistance system would apply to all Native people unless it conflicted with treaty rights or federal law. If reform to the social assistance system as it applies to Native people is to be specifically targeted to their circumstances, the limits of the province's power to legislate in relation to "Indians and Lands reserved for the Indians" must be confronted.

It is not appropriate here to review the precise limits of provincial legislative authority to enact a Native-specific social assistance regime. However, it is clear that a comprehensive restructuring of social assistance or broader social services would be best achieved through new and co-ordinated federal and provincial legislation. An alternative would be to amend provincial laws alone while recognizing the limits of provincial authority in relation to Native people. It is our belief that the committee's major objectives can be achieved in this manner. However, as will be apparent, such provincial reforms would require some revision to the Indian Welfare Agreement prior to successful implementation.

In the case of the off-reserve Native population, steps should be taken as soon as possible to use Native communities to deliver culturally appropriate services. New legislation should create the means by which negotiations can take place towards more substantial control of delivery of services by off-reserve Native communities.

Short-Term Reforms

Through our consultation with Native groups, we have been made aware of a number of areas in which reforms should be carried out immediately, without going through the process of legislative change. The emphasis in these areas is on flexibility – reinterpretation of requirements to meet the urgent need for more Native-specific, culturally appropriate services.

Although these short-term reforms are narrowly focused on particular problems, that does not mean that they are unimportant. They are, in fact, an essential step in the transition towards self-determination. They are vital as an indication of good faith on the part of the government. Some of these issues have been ongoing irritants in relations between the province and Indian bands for so long that they have become symbols of an overall lack of progress towards the objectives of the First Nations.

The following description of issues is not meant to be exhaustive. It is meant to provide a starting point or basis for moving forward on short-term reforms.

RELATED RECOMMENDATIONS

In other chapters of this report, we have made recommendations for change that will help Native people as well as others. We cannot list them all here; we have chosen a few examples related to self-employment and assets.

For example, we recommend that self-employment should no longer render someone automatically ineligible for assistance. The rules should be revised to allow self-employed persons to make the transition to more viable self-employment, with the help of social assistance. With respect to assets, we propose that the definition of those assets that may be protected be reviewed to take cultural factors into account. We also recommend that ceilings on the amount of assets a recipient may keep should be raised, and that there should be a moratorium on liquidation of assets for certain people, such as farmers and those who run their own one- or two-person businesses. Changes such as these should be of benefit to Native people in traditional pursuits such as hunting, trapping, harvesting, and fishing. Many of these traditional harvesters need assistance because they do not make an adequate annual income from this kind of work. They do, however, make a major contribution to their families, their communities, and their culture.

Accessibility

Native welfare administrators complain that money for special employment, training, or other programs is often not made available to their communities or is already allocated elsewhere by the time they learn about the new initiatives. Therefore, their communities never get the benefit of these special programs. Failure to notify Native administrators of special funding or new programs constitutes a communication problem that could be resolved through a system of regular meetings or contacts between welfare administrators and provincial government staff.

A more fundamental problem here involves reluctance on the part of the province to provide programs to Indian bands if there is uncertainty over the federal government's willingness to share the costs. Since the federal contribution under the Indian Welfare Agreement is by far the largest share, federal officials are concerned about being pressured into paying for some new provincial program when the provincial government is only going to pay 5% or 6% of the costs.

RECOMMENDATION 205

The province should engage in discussions regarding cost-sharing of new programs and services well in advance of their introduction.

RECOMMENDATION 206

The province should provide to Native peoples any new social assistance benefits and related services, regardless of whether cost-sharing is assured under the 1965 Indian Welfare Agreement.

COMMUNITY-BASED SERVICES

It is particularly important for those bands located far from major centres that programs be available in the community. We want to encourage people to obtain the skills they need to find a job and make the transition to independence, but they should not have to uproot themselves and their families to receive training.

RECOMMENDATION 207

More community-based services should be made available to Indian bands, particularly bands located in remote areas.

NATIVE WELFARE ADMINISTRATORS

General Welfare Assistance was the first provincial program that bands began to administer for their own members. Some bands have been administering GWA for over 20 years. In spite of this long relationship of working with the province, the Ontario Native Welfare Administrators Association has identified several long-standing problems encountered by its members.

In years past, welfare administrators were frequently the only link between band members and all social services. In spite of their central role as case managers, very little training has been given to facilitate their assuming this role for their people. Ministry training focused predominantly on the narrow view of their roles as interpreters of eligibility standards and budget planners. Only recently has some funding support to initiate broader training for welfare administrators become available.

While welfare administrators were the "front line" of service delivery for Indians in the past, in the last 10 years they have been joined by many new band staff involved in alcohol counselling, educational counselling, child welfare, homemaker services, probation, housing, and other social programs. And like welfare administrators before them, many recently appointed staff lack case management training and experience. A new issue for bands is co-ordination of band services.

Native welfare administrators are classified as part-time or full-time based on welfare caseload, although the application of criteria is not consistent across the province. It is clear from representations of bands, associations, and the ONWAA that there is a need for welfare administrators to play a broader role involving information, case planning, and co-ordination. However, no existing program provides funding for the function of co-ordination between different programs.

RECOMMENDATION 208

The expanded role of Native welfare administrators should be recognized, and they should receive the necessary training to prepare

them to fulfil this role.

RECOMMENDATION 209

Funding and other support should be provided for the co-ordination of social assistance with other social programs in Native communities.

AFFIRMATIVE ACTION

The hiring of more Native persons by the Ministry of Community and Social Services would help build bridges to Native communities. None of the provincial program review officers, for example, is Native. The First Nations have asked for representation from the Native community on review boards. Action should be taken on that request.

RECOMMENDATION 210

An aggressive affirmative action program should be undertaken to ensure that more high-level and front-line jobs in the Ministry of Community and Social Services are filled by Native people. There should also be Native membership on the Social Assistance Review Board.

This is also important in areas where there is a large off-reserve Native population receiving service in a non-Native community. Training in cultural awareness for other staff members dealing with Native clients is also needed.

RECOMMENDATION 211

Non-Native ministry staff who may be dealing with Native clients should be given training in cultural sensitivity to help them understand Native traditions.

NORTHERN BENEFITS

We have dealt with improvements in benefit structure and adequacy in other chapters of this report. However, one particular issue recurs continually in discussions with Native organizations: the cost of living in Ontario's remote Northern communities. The committee's own study of costs in the North showed that the costs of essentials, such as food and transportation, tend to change often and considerably. Over the last four years, MCSS has been reviewing costs in the remote North whenever adjustments are made to benefit levels and has been adjusting rates annually.

As a prelude to broader program adaptation by Native communities, the ministry should involve remote Northern communities more directly in the determination of benefit levels according to living costs. In addition, the Northern supplement should be paid under FBA and GWA, rather than under Supplementary Aid and Special Assistance.

RECOMMENDATION 212

The ministry review of living costs in the remote North should continue, and the ministry should involve Native communities directly in the determination of benefit levels. The Northern supplement should be paid under FBA and GWA.

Shelter and Hydro

Native people are not the only ones who have complained about the coverage of shelter and hydro costs under social assistance. But we include this problem here because it has been identified by Native people as an issue requiring urgent action. The current schedules are often inadequate and the system of calculating them is overly complex. There is also inconsistency from one community to the next. As we have recommended in Chapter 4, we believe that an immediate adjustment should be made to cover 100% of actual costs up to the current shelter subsidy ceiling, and that actual utility costs should be paid as part of shelter.

Home Repairs

Many Indian people cannot get money for emergency home repairs under social assistance because their houses are owned by the community, not the individual. Under a strict interpretation of the home ownership rules, they are not entitled to repair funds. This kind of technicality reinforces Native people's view that the system is stacked against them. Funding for both home construction and major repairs, which is currently handled by a number of federal and provincial agencies, should be rationalized so that communities can upgrade substandard housing. However, it should be made clear that social assistance is not the proper vehicle for large-scale building and renovation programs.

RECOMMENDATION 213

Guidelines for use of the home repair fund should allow emergency repairs to community-owned housing.

Funerals

We heard a number of complaints related to funerals. Money for transportation of a deceased person from a municipality back to the reserve for burial is sometimes insuf-

J.R., 28, Northern Reserve

J.R. is a GWA recipient with a wife and three children.

J.R. and his family live in a five-room house. Built in 1971, the house has not been renovated or repaired since it was built. The windows are broken and covered by polyethylene to keep the heat in. The foundation has deteriorated, causing the floor to warp. It is a very cold place to live in during the winter and is expensive to heat.

No skills, no work

J.R. is one of many people in the isolated Northern communities who never had the chance to leave the reserve after completing grade school. He stayed in his community, got married, and did not understand the importance of education. Today J.R. realizes that if he had continued his education, he would have a better way of supporting his family. J.R. has never had seasonal employment because he does not have any job skills or those required for fishing, hunting, and trapping. This means that J.R. is unable to supplement his welfare cheque like other recipients, in order to help with the high costs of living in the North.

J.R. receives $450.17 bi-monthly, or $900.34 a month, from welfare. Welfare gives him $328.50 for basic needs, $83.00 for travel and transportation, $28.67 for fuel, and $10.00 for extra hydro in the winter. Upon receiving his welfare cheque, J.R. goes to The Bay to pay his bills. J.R. has a hydro account to which he pays $42 a month, a grocery account that allows him to charge up to $400 a month, and a deferred payment account (DPA), into which he puts $100 a month towards a snowmobile, necessary for transportation in the North. The snowmobile costs $2,800. The total amount paid on these accounts each month can be as high as $542, which leaves $358.34 to cover the needs of his family. Since J.R. has no job skills and no employment prospects, he must rely completely on his inadequate welfare cheque to care for himself and his family.

ficient. Difficulties of this nature are considered an insult to the bereaved family and community. In some cases, the person may have lived for many years in an urban centre but expressed the wish to be buried back on his or her home reserve. Money to pay for transportation and funerals has to come out of the Special Assistance budget and money must be available.

RECOMMENDATION 214

Funerals and related expenses should be covered as an item of basic need.

These issues are only a sampling of those that could be resolved with some creative flexibility, recognizing the unique situation of Native peoples and communities.

The Constitutional Context and Tripartite Action

The division of powers under the Canadian federal system forms an unavoidable backdrop to any discussion of services to Native people. Social assistance is no exception. We understand and respect the stand taken by the First Nations – that the federal trust must not be weakened. Further, we feel that constitutional responsibilities should not be an obstacle to progress in improving the social assistance system. In fact, we would be disappointed if either the federal government or the province backed away from the negotiating table on this issue on the basis that it could not be settled until a whole range of other federal-provincial issues were resolved. That is like saying that you cannot eat the food on the table, no matter how hungry you are, until you have finished planning the menu. The people who wrote *A Starving Man Doesn't Argue* would surely appreciate the analogy.

Under the 1965 agreement, the federal government undertook to cost-share, according to a special formula, services provided to Indians with reserve status under four provincial statutes. The province undertook to extend all its programs and services to Indians with reserve status, as well as to other Native people. However, according to the First Nations brief, "the province has historically only delegated authority to First Nations to deliver those services that the federal government has agreed to cost-share".[20] Generally speaking, where there is no agreement on cost-sharing, there is no program extension. Indian leaders see themselves caught in the middle of a battle of government accountants.

The Indian Welfare Agreement is an artifact of an earlier time. It was developed on the municipal model of service delivery. It was not premised on Native-designed and Native-controlled services. It was not negotiated with the participation of the Indian peoples of Ontario. It may now create, rather than remove, obstacles to the development of a new social assistance system for Native people. However, it is an open-ended cost-sharing agreement at a time when such agreements are rare. Native people are understandably concerned that this aspect of the Agreement not be lost until it is apparent that something better will take its place.

RECOMMENDATION 215

The Indian Welfare Agreement should be retained until appropriate changes are negotiated or until an improved agreement is signed by the federal and Ontario governments and the First Nations.

Having established that caution should be exercised with regard to the Indian Welfare Agreement, we do not wish to give the impression that the status quo is satisfactory. On the contrary, we wish to see the focus of discussions on changes in social assistance for Native peoples turn from limitations to possibilities. The preferred solution would be complementary federal and provincial legislation giving Indian bands broad authority over their own social assistance and related services. Tripartite negotiations involving the federal and provincial governments and the First Nations would be directed towards amending the Indian Welfare Agreement to recognize the authority of bands in these matters and to provide for suitable cost-sharing arrangements.

Whereas Ontario legislation may be limited by the constitutional division of powers, complementary federal and provincial legislation would make the transfer of responsibility to Native communities constitutionally unassailable; amendment of the Indian Welfare Agreement would guarantee the funding needed to make the new system work.

Provincial Legislation

In practical terms, we realize that complementary legislation may take some time to achieve. Accordingly, we believe that the province should develop legislation that enables it to vest control over social assistance in Native communities.

RECOMMENDATION 216

Ontario should proceed as far as it can within the limits of its own legislative authority, in co-operation with Native leaders, to give as much control as possible to Native communities in the area of social assistance and related services.

Because of concern expressed to us by the First Nations that provincial action may weaken or undermine the federal responsibility they deem to be an essential part of the original pact made between Canada and its indigenous nations, we would support inclusion of a non-derogation clause in the provincial legislation. That clause would say essentially that nothing in the Act derogates from their rights as distinct peoples.

RECOMMENDATION 217

A non-derogation clause should be included in provincial legislation, if it is deemed necessary by the First Nations.

This medium-term initiative will also require tripartite negotiations, because changes will be required in federal-provincial cost-sharing arrangements to encompass the new legislation. At a minimum, it must be clear that the normal costs are covered by the agreement or are sharable to some agreed-upon level. Because only one system will exist, embodying the present GWA and FBA programs, amendments to the agreement will be required to coincide with passage of new Ontario social assistance legislation.

Both levels of government must recognize that increased funding will be needed to make the transition to Native control of services work, although it is reasonable that any new agreement be such that all three parties are able to define and predict the costs associated with the new program. New resources will be required for Native representation in planning new provincial legislation. Second, new resources will be required to initiate and sustain program planning within Native communities. Communities and their organizations will require technical resources as well as funding for consultation with their members. Third, as Native communities develop plans, they will need new resources to train community volunteers, directors, and service delivery and administrative staff. Finally, because Native communities will assume the program administration role that the ministry now plays in the GWA and FBA system, they will need new resources to design and implement specialized management control and information systems.

RECOMMENDATION 218

Tripartite negotiations should determine the cost-sharing arrangements that will provide funds for the new social assistance system.

As regards the contents of new provincial legislation, the 1984 Child and Family Services Act (CFSA) may serve as a reference, both for its strengths and for the problems associated with it. The CFSA codifies the principle of Native-run and culturally sensitive services. It has a separate section enabling the Minister of Community and Social Services to enter into agreements with Indian bands and Native communities for provision of children's services. It also requires that a society or agency providing services or exercising powers under the Act involving Native children consult regularly with the bands or Native communities and deliver its services in a culturally appropriate manner.

The CFSA has made it possible for Indian child and family service agencies – such as Tikanagan, Payukotayno, and Weechi-it-te-win Family Services – to be designated as child and family services authorities. That is a significant step forward. But the CFSA goes even farther. It allows for contracting out of the requirements of the Act, by agreement, as a means of permitting delivery of culturally appropriate child welfare services. That is a quantum leap beyond existing social assistance legislation. The General Welfare Assistance Act allows bands to function only as municipalities in the delivery of GWA; the Family Benefits Act is administered by the province. However, the "leap" is still only potential because the authority to contract out of requirements of the Act has not yet been exercised. Discussions between the government and the First Nations are continuing, but so far there has been no agreement relieving an Indian child welfare agency from specific requirements of the Act.

While we support the principles of the CFSA, we recognize that there have been some difficulties with implementation that should be avoided with new social assistance legislation. Much of the consultation with Native groups on the language in the CFSA took place just before the Act was passed, with little consideration of whether the proposed approach could ever be implemented. Another problem has been that funding for essential changes in the Act has not been available. The Indian Welfare Agreement was not amended and no discussions took place with the federal government about whether cost-sharing would be possible. This has delayed implementation of important elements of the legislation, such as band representation at hearings involving Native children.

A particular problem has arisen under the CFSA regarding the use of customary-care arrangements. Funding for such care has not been available unless a child is first made a ward of the child welfare system. It has been suggested that such funding might be made available through the foster parents' benefit provided within social assistance. This issue is discussed in Chapter 4, where we have recommended that a better route would be to provide for such care and for appropriate funding within the CFSA, without first requiring child protection proceedings.

It is our belief that new provincial legislation in the area of social assistance should follow the model of the CFSA.

RECOMMENDATION 219

The new legislation should establish in its preamble the principle of service delivery in a culturally appropriate manner for all recipients of social assistance. In addition, the preamble should support

the principle of culturally appropriate services provided for and by Ontario's Native communities.

RECOMMENDATION 220

The legislation should enable agreements to be entered into between the Minister of Community and Social Services and a band or a multi-band group to deliver integrated social assistance services. To enable these services to be provided in the manner determined appropriate by the band or bands, the Act should permit contracting out of any requirements of the Act.

As we have already recommended, the Indian Welfare Agreement should be amended, through tripartite negotiations, to recognize the new legislation and provide for fair cost-sharing arrangements. All of the above must be done after consultation and with the co-operation of the First Nations.

RECOMMENDATION 221

Consultation with the First Nations regarding the content and possible implementation of the new Act should begin immediately.

Off-Reserve Native Communities

In the case of off-reserve Native people, provision should be made in the short term for the delivery of more culturally appropriate services. These services should involve Native people helping Native people.

RECOMMENDATION 222

In the short term, agreements should be entered into with Native agencies for the delivery of specific forms of social assistance, such as opportunity planning, to off-reserve Native clients.

Agreements with Native-run agencies should address some of the weaknesses in the current social assistance system. Those identified by the Ontario Métis and Aboriginal Association included culturally irrelevant programs and service delivery, racial stereotyping, lack of realistic client profiles, absence of community-based and -controlled services, disruption of traditional forms of community support and leadership, and isolated approaches to problems.[21] In the medium term, the new legislation should enable agreements with off-reserve Native groups to deliver a unique social assistance program.

RECOMMENDATION 223

The new legislation should enable agreements to be signed giving off-reserve Native agencies authority to deliver their own unique social assistance program.

While off-reserve Native agencies would potentially have the same authority as Indian bands to deliver social assistance services, it must be recognized that the goal of Native control of services outside the reserves is not as easily achieved. Indian bands have a defined territorial base and community membership. Off-reserve Native people share a common interest in maintaining their identity, but they are not a "community" in the same sense. One of the problems with implementation of the Child and Family Services Act has been difficulty in defining the meaning of an off-reserve "Native community" for certain purposes of the Act. However, recognition of these differences does not mean that the goal of off-reserve Native control of services cannot be achieved. There are simply more hurdles to overcome.

We believe that the aspirations of Ontario's Native peoples are achievable, if there is the political will to make it happen. Because of the constitutional division of powers and responsibilities in our Canadian federal system, that exercise of political will must come from both the federal and the provincial governments.

Both governments have expressed support for negotiating self-government agreements. There are statements of political intent signed by representatives of the First Nations and of the federal and Ontario governments. The Tripartite Council is in place to provide a forum for negotiations. The province has indicated a willingness to set up a parallel forum for negotiating with off-reserve Native groups.

However, little tangible progress has been made since the failure of the last constitutional conference in 1987. We hope that the transfer of authority over social assistance and related services to Indian bands may serve as a model for tripartite agreements in other areas. That is the longer-term view. In the short and medium term, we see the steps outlined in this chapter as the means to begin freeing the potential of Native communities to make the transition to self-sufficiency – on their own terms.

10

RELATED REFORMS

Throughout this report, we have emphasized the link between social assistance and both governmental and non-governmental policies and programs. We have repeatedly stated that meaningful reforms in social assistance require complementary changes across a wide spectrum. This chapter deals with some of the broader changes in areas not already covered in the report. Two sections discuss reform in areas that directly relate to social assistance: health and housing. A separate section examines the extent to which achievement of our objectives depends upon how the financial obligations between family members are established and enforced by law.

Next we examine the important partnership that must exist between the provincial government and two other key players: the federal government (through federal legislation dealing with the cost-sharing of services, including those affecting disabled persons) and the voluntary sector. We then consider how the required public support can be found for the changes that we propose. Finally we note how the most important piece of rights legislation ever to emerge in this country – the Canadian Charter of Rights and Freedoms – affects our proposals. In this manner, we hope to place our proposals in an appropriate broader context and to illustrate the breadth of change that is necessary if effective solutions are to be found to the problems facing the economically disadvantaged in this province.

HEALTH CARE

Overall, Ontario's health care system is serving Ontarians effectively,[1] although there remains considerable variability in the health of Ontarians. We agree with the Panel on Health Goals for Ontario that the major reason for inequalities in health status relates to "inequalities in more basic determinants of health, presumably related to environment and health habits."[2] In other words, differences in health risks and health status are influenced by people's physical, social, and economic environments.

There is an undeniable and disturbing link between poverty and ill health. Although it is not the only cause of ill health, living in poverty means living in circumstances that can affect the basic determinants of good health. For example, poor people endure inadequate housing, clothing, and food; hazardous work and leisure environments; limited recreational opportunities; and difficulties obtaining health care services and up-to-date health care information. The stresses of living in poverty may tax coping abilities and strain social supports. The poor may be less able to engage in behaviour conducive to good health.

Briefly, compared with higher-income groups, low-income Canadians:

- Experience a greater prevalence of health problems and are ill more often. Poor families require more hospital care, mainly because of their relatively higher-than-average length of stay in hospital.
- Are more than twice as likely to suffer from mental disorders.
- Have fewer years of life that are disability free – 14.3 fewer years for males and 7.6 fewer for females.
- Are less happy. The tendency to report "happiness" decreases with decreasing socio-economic status. Poor people also perceive their health as being worse than that of people with higher income and higher education.
- Die younger. Men can expect to live 6.3 fewer years and women, 2.8 fewer years. To a much greater extent than higher-income persons, they die from accidents, poisonings, violence, and respiratory and digestive disorders, some of which are preventable.[3]

The Panel on Health Goals for Ontario recognized that poverty is a structural source of disease and disability. An adequate income is a key factor enabling all Ontarians to achieve and maintain good health. The panel called for "the consistent and vigorous pursuit of an adequate income for all, through a variety of public policy initiatives at all levels of government".[4]

The social assistance system cannot decrease poverty or the associated ill health without the involvement of other jurisdictions – notably, the provincial Ministry of Health. However, it has a major role to play if the objective of improved health for all Ontarians is to be achieved.

Some of the broad measures that we have proposed to improve the financial position of social assistance recipients and the working poor (for example, improved access to employment opportunities, increased social assistance rates, and an income supplementation program) will undoubtedly have a positive effect on the health of the poor. Acceptance of these recommendations may be the most important health measure that Ontario could adopt. But while access to adequate financial resources is fundamentally important to good health, a number of other health-related issues were raised throughout our public consultation process. These areas should also be addressed.

Basic Dental Care

Dental care is provided through both the FBA and GWA programs. Disabled recipients, their spouses and children, and all children of FBA recipients receive basic dental care coverage. This program was expanded in November 1987 to include dental procedures previously not covered, but it still does not cover more extensive – and more costly – procedures such as dentures and crowns. Other FBA recipients receive emergency care and may apply to their local municipalities for Supplementary Aid and for items not covered under emergency care. GWA recipients and their children may receive dental care as an item of Special Assistance. Some working poor people may also be eligible for Special Assistance.

The working poor often experience difficulties in obtaining dental care. Their children, at least, may now receive the dental care they need. In September 1987, the Ontario Ministry of Health implemented a dental program for elementary school children who require immediate or emergency dental care. Under this program, care is provided free of charge to eligible children whose parents declare that they cannot afford to finance the necessary dental care, are without third-party coverage, and do not qualify for dental care under any other provincial assistance program. This program may also benefit the children of social assistance recipients. The Ministry of Health has agreed to provide dental procedures covered under its program when these procedures are not provided to children of FBA or GWA recipients. In these cases, the Ministry of Community and Social Services will cover the costs of such care.

We commend the government for having introduced a program that ensures that low-income children will receive dental care. However, two major concerns remain.

First, many social assistance recipients are still denied basic dental care. Access to dental care for all but disabled people and their spouses, and the children of FBA recipients, varies greatly across the province and is generally limited to emergency assistance. Members of working poor families may also be denied both emergency and basic care because of the discretionary nature of Special Assistance programs at the municipal level. The children of both GWA recipients and the working poor may be helped by the new provincial dental program, but such help is limited to immediate and emergency care, and there is a confusing overlap between the programs offered through social assistance and those offered through the Ministry of Health. Overall, the varied access to dental services was a major source of complaint during our consultations.

Second, a separate dental program for social assistance recipients continues to set them apart from those not receiving assistance. Because care is not provided through mainstream services, social assistance recipients are stigmatized. Moreover, they have to deal with two dental programs to receive total coverage.

RECOMMENDATION 224

One comprehensive dental care program should be developed and made available to all low-income children and adults, whether or not they are social assistance recipients.

Such an amalgamation would broaden coverage, eliminate the duplication of dental services, and minimize confusion for consumers. It would also integrate social assistance recipients into a mainstream health care program, reducing the stigma and marginalization inherent in separate services for recipients.

Drug Benefits

Drug benefits are provided to seniors (people aged 65 and over) and social assistance recipients through the Drug Benefit Plan. Drug benefits may be available to the working poor if they qualify under Special Assistance. Only drugs listed in a special formulary are covered, although municipalities can provide additional assistance to recipients to cover prescribed drugs that fall outside the main program. However, benefits for the working poor and drug coverage through municipalities are discretionary, and there is great variation in their availability from municipality to municipality.

The drug program has two broad shortcomings. First, the so-called "notch effect" – which results from the fact that people who leave social assistance are faced with a sudden loss of their drug benefits – functions for many as a disincentive to employment. (There are, however, a small number of varied circumstances under which former FBA recipients can retain their drug benefit cards even though they are technically ineligible for an allowance.) In Chapter 4, we make proposals to reduce the impact of the notch effect. Second, the working poor who do not qualify for Special Assistance can find purchasing necessary prescriptions extremely difficult if not impossible. As a result, the working poor may be worse off than social assistance recipients, who have drug benefit cards.

Throughout our consultations we were advised of persons with higher-than-average drug costs who were unable, as a result, to maintain low-paying jobs. The Canadian Cancer Society, Ontario Division, indicated in its brief that for several years it has paid for prescription drugs associated with pain relief and symptom control for cancer patients in financial need.

RECOMMENDATION 225

Consideration should be given to extending the Drug Benefit Plan to low-income people who do not receive social assistance, particularly those with higher-than-average drug costs.

The Assistive Devices Program (ADP)

Assistive devices can greatly increase the ability of disabled persons to participate in society. The provision of such devices is essential if our overall objective of aiding recipients in the transition to autonomy and integration is to be achieved. The ADP, available through the provincial Ministry of Health, covers 75% of the cost of assistive devices. Individuals must contribute the remaining 25%.

Some categories of devices are currently available only to persons aged 23 or under. Other devices are available to all persons, regardless of age. The Ministry of Health is phasing in improved coverage, with full implementation for all ages expected by December 31, 1989.

This is an important change and addresses the major concern about ADP raised during our public consultations. However, other program inadequacies can still create hardship for disabled persons.

For social assistance recipients, the 25% contribution may be subsidized by municipal Supplementary Aid or Special Assistance, but these subsidies are discretionary. We were advised of a number of municipalities that did not provide such assistance uniformly and of others that did not provide it at all. The 25% contribution can also be a problem for low-income persons who do not receive social assistance, because the requirement for a 25% contribution does not consider the individual's ability to make the payment.

A number of assistive devices that are essential to maximize individual functioning are not covered under the ADP. Examples include telephone devices and closed-captioning devices for the deaf and aids to assist with toileting, feeding, and bathing. Devices specifically required for the workplace – such as an environmental control unit specifically adapted to the job site – are also not covered under the ADP. Coverage may be available through the Vocational Rehabilitation Services program but, as we recommend in Chapter 6, we believe that such assistance is best provided through mainstream programs. Finally, the costs of equipment repairs are not covered.

These program deficiencies must be addressed along with the plan to broaden this program's coverage. We recommend for the short term that the 25% individual contribution should become a mandatory benefit in the new social assistance program. We recommend further, in Chapter 6, that if the Ministry of Health continues to require a contribution, relief for those unable to pay should be provided through the ADP itself.

RECOMMENDATION 226

The Assistive Devices Program should be expanded to include needed items now excluded, assistive devices required in the workplace, and the cost of equipment repairs.

OHIP Premium Assistance

OHIP premiums are waived for Ontario residents age 65 and over or their spouses, or for unmarried dependants under age 21 who are not fully employed. Premiums are waived for individuals covered by the Department of Veterans Affairs and for social assistance recipients. Premiums are fully or partially waived for working people whose annual taxable incomes fall below a specified floor. Finally, for those temporarily unable to pay, because of unemployment, illness, or disability, premiums may be waived under certain conditions. OHIP premium assistance is a critical component of Ontario's health care system. It ensures that people are not denied medical care because they cannot afford the OHIP premiums.

By contrast, the Medicaid program in the United States, which provides medical coverage for the poor, leaves many people uncovered:

> Large portions of the two-parent poor are left entirely without medical protection. Contrary to popular belief, Medicaid does not cover all of the poor. Working poor families almost never qualify, and families with an unemployed parent are often excluded. Low-wage jobs often offer no insurance. When they lose their jobs, the unemployed often lose any benefits they formerly had. Among the fully working poor and unemployed in 1984, roughly 40% reported no coverage. If persons in these families become sick, they must go heavily into debt, seek help at county hospitals, rely on charity, or get help from friends or relief organizations.[5]

Income level is not a major barrier to health care in Canada. Constraints on access in this country result mainly from the way services are delivered, the lack of certain health services in remote areas, and the costs associated with obtaining care – for example, time off work, child care, and transportation.

There is, however, a major problem with OHIP premium assistance. Assisting the poor in this fashion can create a major difficulty for people who do not apply for premium assistance: lack of health coverage. The working poor can apply for this assistance, but we were frequently advised that many who are eligible for assistance do not seek it. Perhaps they do not know this program exists; they may be too embarrassed or proud to apply; or they may dislike the bureaucratic intrusion into their lives.

Further, some working poor people have incomes just high enough to qualify them for partial assistance only or to disqualify them. Eligibility and level of premium assistance are based on annual taxable income and not on need, as the following figures show.[6]

100% premium reduction:

- for families with income of $4,500 or less
- for single persons with income of $4,000 or less

75% premium reduction:

- for families with income of $4,501 to $5,500

- for single persons with income of $4,001 to $4,500

50% premium reduction:

- for families with income of $5,501 to $6,000
- for single persons with income of $4,501 to $5,000

25% premium reduction:

- for families with income of $6,001 to $6,500
- for single persons with income of $5,001 to $5,500

With these premium assistance income limits, which do not adjust for family size, many working poor individuals and families find themselves paying full or partial premiums even though they are living in poverty. For example, a family of four in Toronto are not required to pay OHIP premiums if their taxable income is $4,500 or less. This sum is equivalent to a gross income (including employment earnings, family allowance, and child tax credits) of $16,503 – an income level that places the family $6,113 below the 1987 Statistics Canada low-income cut-off line of $22,616 – for a family of four in Toronto. In other words, the 100% premium reduction is available only to families who are living far below the poverty line.[7]

A 25% premium reduction is available to families with taxable incomes between $6,001 and $6,500. The $6,500 amount translates into a gross income of $18,592 – still $4,024 below the poverty line for a family of four in Toronto. Families living well below the poverty line still receive only minimal premium assistance. Low-income families with gross income above $18,592 will receive no assistance and must pay full premiums.[8] Current annual OHIP premiums are $714 for families and $357 for single persons; as flat-rate premiums, they place a heavier burden on the working poor who do not qualify for assistance.

Those who, for whatever reason, do not apply or are ineligible for premium assistance face a potentially serious outcome: no health protection, or protection at great cost. Many of the working poor manage to pay their premiums, but only by further straining their financial resources. The prospect of paying premiums can also function as a disincentive to employment.

We were advised by the Ministry of Health that people with no financial resources and those who have temporarily failed to make premium payments are not denied medical care. However, we are concerned that the current approach to the payment of premiums creates a major barrier to health care for low-income persons. At a minimum, it may discourage persons without OHIP coverage from even seeking such care.

The Ontario government has stated that it intends to phase out OHIP premiums and to cover health costs fully through the tax system.[9] In doing so, it would join all but two provinces (Alberta and British Columbia). We believe that such a move is essential and would greatly improve access to health care, particularly preventive health care, for many low-income people.

RECOMMENDATION 227

OHIP premiums should be abolished.

Research and Information

The reports of the Ontario Health Review Panel and the Panel on Health Goals for Ontario have underscored the need for a routine collection and monitoring of Ontario data on health status. As well, additional research is required to further elucidate the role of environmental and socioeconomic factors in health and disease.

These activities would be the foundation for much-needed health care information and education. Information and educational opportunities are essential if low-income persons are to be better equipped to take control over the conditions and behaviour affecting their well-being. Yet access to information and education is often a problem for disadvantaged and dependent populations.

In addition, information must be available in easily accessible locations and in formats and languages that people understand. Further, information must reach its intended audience. Toronto's free pre-natal education program is being used primarily by well-educated high-income earners, while poor people, teenage mothers, and visible minorities appear to be missing out on it.[10] Such programs should be redesigned to ensure that disadvantaged groups also benefit.

Finally, health care information must focus on preventing ill health and promoting healthy life-styles rather than emphasizing methods of treating problems once they have occurred. People should also be helped to understand the varied and complex factors associated with wellness and with disease or disability. For example, it is unlikely that changes in individual habits alone (such as increased exercise) will substantially improve the lives of people who live in poverty. Health risks arising from factors beyond individual control must also be addressed.

Community-Based Health Care and Supports

Over the last decade, many commentators have called for an expansion and strengthening of community-based – that is, non-institutional – health care services. We concur. A community-based approach offers an opportunity to improve health care services to individuals and communities and, therefore, the potential to improve people's health.

Community-based care allows easier access by residents; is more accountable and responsive to local needs; can provide the most appropriate care in a more cost-effective manner; and improves linkage between various health care services and related social services.

HOUSING

The urgent need for affordable housing cannot be over-emphasized. In the course of this review, housing emerged as one of the most critical problems facing social assistance recipients and the working poor, particularly in urban areas. Again and again, the committee heard from people spending 50% to 70% of their incomes on housing, leaving far too little to cover other necessary expenses such as food and clothing. Paying the rent is for many inevitably followed by a trip to the food bank. Many find themselves living in overcrowded or substandard emergency shelters or on the street. Homelessness has become an all too common phenomenon, particularly in the larger cities, with people finding shelter in the parks, over heating grates, in stairwells, or by migrating from one emergency shelter to another. Reform of the social assistance system must be accompanied by a strong commitment to ensuring that people have access to decent housing that they can afford.

Three issues must be considered in examining the current housing situation as it relates to the social assistance system: supply, affordability, and support. Clearly there needs to be a substantial increase in the supply of housing available to low-income households. Further, units must be available at rents that do not take a disproportionate amount of people's incomes. And finally, people who need them must have access to support services that will enable them to live independently in their communities.

Supply

There is simply not enough affordable rental housing for people who need it. Low-income families – those least able to compete in the rental market – pay too high a proportion of their income on shelter, if they can find it. In even greater difficulty are single persons, for whom rent-geared-to-income subsidies have not been available until recently. The shelter component of a social assistance cheque bears no relationship to market rents, creating serious difficulties for people who depend upon Family Benefits or General Welfare Assistance.

The committee recognizes the complexity of the housing market, and how regulatory mechanisms, taxation, and subsidies independently targeted to specific components of the market have contributed to the growing gap between the cost of the available supply and the ability of people to rent or buy that housing. Government policies in a

Voices

Contact Information Centre, Midland	*Many recipients of social assistance have to pay so much for basic housing that the vast majority of the benefits are going to landlords not recipients.*
Mothers Making Change, Kitchener/Waterloo	*For most of us on assistance, affordable housing is a dream, and for some of us the logistics of securing* any *place to live is a nightmare of landlord discrimination, first and last month's rent, with selection limited to overpriced dumps.*
Recipient	*I tried to move ahead, to get involved, but always I fell back into a state of despair over my surroundings. Dealing with being poor is difficult enough, but living in a dirty, bug-infested room is too much. It is hard to get involved with other people when a person is ashamed of his/her address. You might ask, "Why didn't you move?" The answer is simple. I was in one of the "better" buildings.*
Recipient	*I have applied for low rent housing at Oshawa Housing Authority for the past two and a half years without any results. I am told that housing availability in my age limit is very scarce. It seems nothing is available for people between the ages of 40 and 54.*

wide range of areas significantly affect the housing market. For example, it was brought to our attention that the recent federal proposals on tax reform are likely to increase the cost of housing.[11] Even direct government interventions in the housing market itself – such as development levies, mortgage financing, regulatory standards, or rent controls – have historically targeted specific components of that market with little or no consideration of possible effects on other parts of the housing system. A harmonious approach is needed, so that no level or branch of government acts without reference to the other players, and the effects of each initiative are assessed in the context of the overall housing supply.

From the private development sector we have heard that the high costs of land, production, and financing render any attempt to build housing for low-income households not profitable. The public and non-profit sectors say that the existing publicly funded housing supply programs simply do not work effectively in expensive housing areas such as Metropolitan Toronto and Ottawa. Land is scarce and costly, and, once an appropriate site is identified, it can be enormously expensive and time-consuming to get the land properly zoned through the local municipality. Non-profit housing providers receive capital funding from the federal and provincial governments through the 1986 Federal-Provincial Non-Profit Housing Agreement. The funding rules under this agreement do not take into account the realities of timing and the cost of actually getting a project planned, zoned, and approved.

As a result, non-profit housing developers have not been able to use all of their allocations, despite widespread need for such accommodation. Particularly in communities where developable land is scarce, almost any site will require review through the planning process. The planning and development stages almost always require a longer time frame than the current funding allocation process allows, so the funds are lost because they cannot be used within the prescribed time limits.

Throughout the past decade there has been a net decline in the production of all rental housing. Until 1986, the rate of development of non-profit housing also decreased substantially. Moreover, unless measures are taken to check the deterioration of existing housing stock, the supply will continue to diminish. As well, many communities are already experiencing a significant loss of affordable rental stock through demolitions, conversion to luxury housing, and conversion to non-residential uses – a situation that can only worsen if conservation and regeneration of existing supply are not made a priority.

The committee has concluded that supply initiatives must be undertaken simultaneously in each of the following three areas: increasing the supply of new rental accommodation; maintaining and improving the existing stock of affordable accommodation; and making better use of the existing housing supply.

Providing New Rental Accommodation

Key to increasing the stock of new rental housing are land, government-funded supply programs, and local zoning.

LAND

Land is a finite resource. It differs from commodities such as food and clothing in that it cannot be produced at any price, despite the increasing demand. As Ontario's population becomes increasingly concentrated around major urban centres, developable land within such areas becomes more and more scarce. This in turn makes construction prohibitively expensive for non-profit developers, who may find it impossible to compete with those wishing to develop more lucrative luxury housing.

In addition, large urban centres cannot solve their housing problems within their own boundaries. Housing markets extend beyond individual municipal boundaries and the development of housing in one municipality may well affect transit, transportation, and services in neighbouring municipalities. Therefore, a regional approach to housing strategies must be undertaken.

Strategies to utilize publicly owned land must be implemented immediately. The provincial and federal governments are the largest holders of land slated for development in Ontario. This rich resource will only appreciate in value over time, and should not be lost from the public sector.

The provincial government is already committed to making housing a first priority in development on its lands, and has established a Housing First Committee of Deputies to expedite the process. It is important that this new committee implement a plan as quickly as possible.

RECOMMENDATION 228

The provincial Ministry of Housing should develop a mechanism whereby provincially owned property can be made available for the development of affordable housing by non-profit housing providers.

The federal government has not made a similar commitment and should be encouraged to do so. Crown corporations such as Canadian National Railways own large amounts of land that could be used for affordable housing. Municipal governments, school boards, and other public institutions (such as libraries, transit authorities, etc.), as well as such non-government institutions as churches, also own varying amounts of property. These bodies too could lease properties on a long-term basis to non-profit housing providers. This would allow these landowners to capture some of the investment potential of their lands while maximizing their use for lower-cost housing.

RECOMMENDATION 229

The province should encourage the federal government to mandate the Canada Mortgage and Housing Corporation (CMHC) to identify those federally owned properties that are suitable for the development of affordable housing and establish a mechanism for entering into long-term leases of such properties to non-profit housing providers.

RECOMMENDATION 230

Municipal governments should develop policies whereby municipally owned properties are assessed for their suitability for affordable housing and, where feasible, are leased for the development of such housing.

We believe that the provincial government is in the best position to play a co-ordinating role in bringing public bodies together to identify potential housing sites and plan for their use. The provincial government should, as a priority, give leadership in this area.

RECOMMENDATION 231

The provincial government should assume a co-ordinating role in bringing together all public landowners in order to plan a development strategy for affordable housing.

Government-Funded Supply Programs

The allocation process for the creation of new units through non-profit providers, as set out in the current federal-provincial agreement, has features that unfortunately contribute to the shortage of affordable housing.

The Maximum Unit Price (MUP) is the maximum amount per unit that a developer may receive from government under the agreement to cover all costs associated with building a non-profit housing project. The MUP was devised with large projects in mind and assumes economies of scale that are unrealistic for smaller projects. In addition, the MUP does not take into consideration local market conditions. As a consequence, local non-profit housing providers either cannot build at all within the MUP funding limits, or are forced to cut corners to save costs. Cost-cutting can in turn make it impossible for a housing project to meet neighbourhood expectations regarding its appropriateness and attractiveness, thereby resulting in community opposition to a "low-quality" development. Long-term costs for maintenance and conservation in such projects may be much higher because of lower-quality construction.

The MUP must have the flexibility to meet real land costs and construction costs in different parts of the province. As well, the MUP must be high enough to ensure the financial viability of smaller projects.

The non-profit sector is attempting to build affordable housing in a context that combines a scarcity of available sites with long, complex, and expensive zoning processes at the municipal level. Therefore, when money is being allocated to non-profit developers, realistic time frames must be set for the completion of such projects. Currently, non-profit groups must have an appropriately zoned site before receiving their allocations. This is becoming increasingly difficult to achieve. Two- and three-year time frames would be more appropriate than the current one-year limit in the agreement.

Although the Ministry of Housing recently announced a substantial broadening of eligibility criteria for housing subsidies (to include single people as well as families), the allocation process continues to segregate family and seniors' housing from singles and "special needs" units. Much more flexibility should exist to enable local communities to decide what their housing needs are and then to meet those needs. Rather than targeting certain disadvantaged groups, allocations should be made in response to a community's priorities based upon existing community resources, housing stock, composition of the population, and the need for affordable housing.

Local Zoning

Municipal land use policies, as expressed through local zoning by-laws, constitute a major stumbling block to increasing the supply of affordable housing. Zoning determines what can be built on a given site. The current municipal planning and regulatory processes are fraught with delays (resulting in higher costs), overlapping jurisdictions (the responsibility for the supply and regulation of housing includes seven provincial ministries as well as the Canada Mortgage and Housing Corporation and municipal councils), and inconsistent definitions (for example, there are numerous definitions of "rooming houses").

RECOMMENDATION 232

The provincial Ministry of Municipal Affairs should develop methods of streamlining the planning process with the intent of simplifying and shortening the existing approval process.

In addition, municipal land use policies and building standards have evolved with low-density development and neighbourhood protection in mind and are therefore often designed to prevent specific types of development deemed to be "undesirable". The municipal zoning approval process is inextricably linked to community attitudes, which have tended to focus on obstructing development of a range of affordable housing options. In some instances, this has resulted in zoning by-laws that are actually discriminatory, in that they focus on the tenant rather than on the land use. Community attitudes tend to be founded on the misconception that the traditional household – the two-parent family with children – is the norm, ignoring the fact that growing numbers of single people and childless couples require housing.

The planning and regulatory process at the municipal level needs to be streamlined and simplified. At the same time, the issue of community attitudes towards housing for lower-income people must be addressed. Otherwise, very little will be built, and substantial segments of our population will remain without housing.

The committee believes that much public resistance to affordable housing flows from mistakes of the past. High-density projects have created a negative image of public housing that has hardened public attitudes in opposition to all forms of "social" housing. Smaller-scale projects that are truly integrated into communities have proven far more acceptable.

As a first step towards attitudinal changes, municipalities must work to create an environment that promotes acceptance of affordable housing. The demographics of Ontario's population are changing: substantial increases have occurred in the numbers of smaller households and of seniors living in their own communities. Housing stock must come to reflect these changes. An important way of creating more smaller units involves "intensification" of the existing housing stock – duplexing or triplexing existing single-family homes, creating basement apartments or "flats" on the upper floors of houses, renovating existing apartment buildings, or adding "in-fill" projects around existing housing. Acceptance of the need for such measures may best be promoted by informing the public about the demographic changes that affect the size and nature of the housing units that will be needed. Municipalities, in co-operation with the Ministry of Housing, must therefore develop strategies to secure that acceptance.

RECOMMENDATION 233

Municipalities, in co-operation with the Ministry of Housing, should develop strategies to elicit public acceptance of affordable housing and the more flexible use of existing housing stock.

The provincial government must give leadership by making explicit its commitment to increasing the housing stock. The provincial Planning Act gives municipal governments the power to adopt official plans and zoning by-laws. Through its regulations, the Planning Act could – and should – provide a policy framework for all municipalities across the province that promotes the establishment of affordable housing and the creation of additional units through a variety of intensification options. It would then be the responsibility of the municipalities to implement such a policy by incorporating specific criteria in their official plans and developing by-laws that implement the provincial policy. The onus would be on the municipality to demonstrate that it is unnecessary in a particular case to do what provincial policy indicates should be done.[12]

It is important that by-laws and planning criteria be tailored to meet community needs and to reflect the nature of the existing local housing stock. Therefore, it is not our intention to suggest that local planning and zoning functions be taken away from municipalities. Instead, through the Planning Act, the provincial government must ensure that its housing goals are addressed in a concrete way by municipalities, and this must be mandated through regulation. In situations where municipalities have established discriminatory zoning by-laws, such as those based on definitions of occupants rather than on land-use criteria, the provincial government should be prepared to enforce compliance with the Planning Act.

RECOMMENDATION 234

The provincial Ministry of Municipal Affairs should seek to amend the Planning Act to include regulations that govern the establishment of affordable housing in all municipalities across the province.

RECOMMENDATION 235

All municipalities, in accordance with the Planning Act, should include specific criteria in their official plans and zoning by-laws that support the development of affordable housing within their boundaries.

Conserving Existing Affordable Accommodation

While it is important to increase the number of affordable housing units, there is also a substantial amount of existing housing that is affordable and must be maintained, in both quality and quantity. It is projected that the existing housing stock in Ontario will account for about three-quarters of the total supply in the year 2001.

Studies undertaken by the provincial Ministry of Housing and the Association of Municipalities of Ontario (AMO) in the early 1980s have clearly identified the conservation of existing stock as an important issue. They rightly point out that "the costs of conserving this stock could be substantial; however, compared to the replacement costs, they are usually justified".[13] Of particular concern is the large number of high-rise apartment buildings built over the past 25 years. These buildings constitute 40% of Ontario's rental housing stock. Many of the older buildings are now badly in need of major repairs. Repair costs, however high, are nevertheless much lower than the costs of replacement. It is of some urgency, then, that the federal and provincial governments, in co-operation with municipalities, make a substantial financial investment in programs to rehabilitate existing buildings.

A further concern involves the depletion of the existing housing stock through demolitions and through conversions of rental housing to condominiums, luxury housing, or non-residential uses. As part of an affordable housing strategy, each municipality must develop mechanisms to ensure that any such demolitions or conversions are accompanied by the replacement of the affordable housing units. Such mechanisms could include the existing provincial Rental Housing Protection Act; the imposition of levies, which the municipality would then commit to the development of new affordable housing; or a requirement that the developer produce affordable accommodation on an alternative site.

ONTARIO HOUSING CORPORATION

The largest single provider of affordable housing in Ontario is the Ontario Housing Corporation (OHC). The provincial government, through OHC, is the largest landlord in Ontario. In fact, OHC has the second-largest portfolio of any landlord, public or private, in North America. The OHC stock includes some 119,000 rent-geared-to-income units across the province. Conservation of this stock must be immediately addressed.

To ensure that OHC projects are viewed as the community assets they are, a strategy must be developed and funded to regenerate the OHC stock so that maintenance costs stabilize, the buildings are well maintained on an ongoing basis, and the projects complement the local streetscapes. Residents of OHC need to be empowered to have more control over their housing. Mechanisms that encourage the integration of OHC projects with their surrounding neighbourhoods should be encouraged. One example is a community-based child care centre located in an OHC building and serving the larger community. Resident mix should be looked at to more closely reflect the composition of the community at large.

In Chapter 6, we outline some initiatives being undertaken by the Ontario Housing Corporation that are intended to assist OHC tenants in becoming self-sufficient. Such initiatives should be encouraged.

Making Better Use of Existing Supply

Of the more than 2 million houses in Ontario, 1.4 million can be found in urban areas –that is, areas with a population of 10,000 or more. Converting even a relatively small percentage of these houses so as to create rental units – for instance, by adding flats or basement apartments – would produce a substantial increase in the supply of housing units for rent. Adding units to existing housing – an approach known as intensification – must form part of any strategy to increase the supply of affordable housing. It is simply too expensive to solve the entire housing problem through new construction alone. Better use must be made of the existing housing stock.

Impediments to achieving intensification of our housing include:

- complex and lengthy approval processes, which discourage many homeowners interested in adding a unit to their homes;

- municipal zoning by-laws, which in some cases prohibit conversions outright, and in other cases impose such narrow restrictions – for instance, stringent parking requirements – that the effect is to prohibit conversions;
- uncertainty among homeowners about the Landlord and Tenant Act implications and the tax impact of conversions; and
- community resistance to a more permissive approach to conversions based upon the fear that property values will decline, parking problems will increase, and the neighbourhood will deteriorate.

We think that community concerns about conversions have more to do with perception than reality, and that public education may help overcome this obstacle. One study, conducted for the Housing Conservation Unit of the provincial Ministry of Housing, showed that tenants in converted apartments have relatively low levels of car ownership.[14]

Moreover, converted units tend to increase rather than decrease property values. In addition, there does not seem to be any evidence to support the theory that people who rent out parts of their homes maintain them less well than do other homeowners. All this suggests that municipalities could allow more conversions without threatening neighbourhoods.

Several Ontario municipalities have done studies of conversions. Metropolitan Toronto, for example, found that one in eight homeowners in Metro would be interested in conversion were it permitted. (Many now do it illegally.) Based on that one-to-eight ratio, 37,000 units could be created if those who wished to convert were permitted to do so.[15]

RECOMMENDATION 236

The Ministry of Municipal Affairs should seek to amend the Planning Act to include regulations requiring the use of intensification techniques to increase the supply of housing in all municipalities.

RECOMMENDATION 237

Municipalities should review their zoning by-laws to establish a "converted dwelling unit" category and amend existing by-laws to support conversion in areas where the current housing permits it.

RECOMMENDATION 238

The provincial Ministry of Revenue should explore property tax incentives aimed at encouraging homeowners to create additional units in their homes.

RECOMMENDATION 239

The provincial government should review the Landlord and Tenant Act to determine how best to protect homeowners who rent units in their homes.

Affordability

It is important to distinguish between the respective roles of housing programs and social assistance programs in arriving at the goal of having housing that is affordable to people who receive social assistance. Obviously, people must have an adequate income in order to obtain decent, secure accommodation. At the same time, in order to ensure that people are not spending a disproportionate amount of their income on high rents, housing must be affordable.

In Chapter 4, we discuss in detail the need for shelter subsidies that more adequately reflect real housing costs. We recommend that, in the short term, there be an immediate adjustment to the shelter subsidy through social assistance benefits that cover 100% of housing costs up to a certain ceiling. In the longer term, we recommend that the shelter subsidy be based upon realistic average costs of rental accommodation in communities throughout the province. These improvements will allow social assistance recipients to compete more successfully in the housing market, and we have no reason to believe that such changes will drive up shelter costs. The provincial government's new rent registry will, we hope, serve to prevent any unwarranted increases in rents.

If the social assistance system provides adequate allowances that better reflect real housing costs, then housing programs must bear the responsibility for ensuring an adequate supply of affordable units.

Two populations must be considered: those people who live in adequate housing for which they pay inordinately high rents; and those who live in inadequate or overcrowded housing, in emergency shelters, or on the streets. The former cannot afford their present housing and may be forced to leave; the latter cannot find adequate housing at any price, or have lost their housing.

The responsibilities of the federal Canada Mortgage and Housing Corporation and the provincial Ministry of Housing in helping to rectify this situation are two-fold: to increase the supply of non-profit housing and conserve the existing stock of affordable housing; and to increase funding for the existing Rent Supplement Program.

Adequate levels of affordable housing will take some time to achieve. In the meantime, many people in Ontario desperately need housing. In September 1987, the waiting list for rent-geared-to-income housing units comprised more than 27,800 families and senior citizens. And that figure understated the real need, because it did not include

Voices

Committee for Equal Access to Apartments, Toronto

The most widespread discrimination in housing... is probably discrimination against people on public assistance. Some landlords simply say they do not rent to people on social assistance knowing that, despite the law, they are unlikely to see any complaint lodged, or in some cases, they, like the welfare recipient, are unaware of it. More often, recipients are simply told that there is a more suitable applicant for the tenancy or that the apartment is suddenly unavailable.

Family and Children's Services of Guelph and Wellington County

It is inexcusable that children in this country have had to be removed from their parents and placed in the care of our agency for the sole reason that the parent is not able to obtain housing.

Canadian Mental Health Association, North Bay

When persons are newly released from the psychiatric hospital and are most likely to be in need of a high support boarding house, this is also the time when they can only afford the cheapest, most disorganized, ill-kept and tension-filled of boarding houses. They can be forced to spend 5 or 6 months on GWA before the processing for FBA is complete. Some clients are never able to stay out long enough to qualify for FBA because these terrible living conditions put them under so much pressure that they end up back in psychiatric hospital. Successive failures to live in the community deteriorate the mental health of these persons further and perpetuate the revolving door syndrome of our psychiatric hospitals.

single people and childless couples (who, until recently, were not eligible for housing subsidies).

The Ministry of Housing, through the Ontario Housing Corporation and local housing authorities, currently subsidizes approximately 17,000 units through contracts with private-sector landlords across the province. Under the Rent Supplement Program, OHC pays landlords the difference between the tenants' geared-to-income rents and the full rental rate negotiated between OHC and the landlords. Unlike payments in a comprehensive shelter allowance program, subsidies are tied to particular units at negotiated rents. In this way, a stock of affordable units is protected in private-sector developments. In the short term, the Rent Supplement Program should be significantly expanded to begin to address the housing needs of households that are currently on the waiting list for subsidized accommodation. This is the only way to ensure that people do not suffer extreme hardship until supply initiatives can generate enough affordable housing.

In the April 1988 provincial budget, the government allocated substantial funds from the Canada Pension Plan for the development of more non-profit housing. A portion of this funding will be available for additional rent-geared-to-income units.

RECOMMENDATION 240

The Canada Mortgage and Housing Corporation and the Ministry of Housing should significantly increase funding for the provincial Rent Supplement Program.

Finally, it is important to ensure that social assistance recipients and others with low incomes have *access* to existing affordable housing, since these populations are usually the least able to compete in the housing market. The committee commends the provincial government for its recent broadening of eligibility criteria for rent-geared-to-income units to include all households that meet the income requirements. This addresses a long-standing problem of people being declared ineligible for housing assistance when they did not fit into a specific category of disability, age, or family type.

We heard in the public consultations about continued discrimination against children in "adults only" buildings and against recipients of social assistance. We remain concerned about such discrimination, even though amendments to the Ontario Human Rights Code since the time of our hearings have broadened the protections available to people seeking housing. The provincial government should ensure that people are aware of their rights and that they have the ability and resources to take action against landlords who discriminate against them on these grounds.

Support

The committee believes that one important goal of a provincial housing strategy should be to ensure that people can live at their maximum level of independence in their chosen residential environment at rents that they can afford. Integral to achieving this goal is the provision of supports to those who need them so that they can live as independently as possible.

We heard from a wide range of organizations that are providing or seeking to provide programs for people who need special housing support services. Concerns were expressed about the fragmentation of programs, restrictions imposed by different funding bodies, unequal access to programs in different parts of the province, and widespread confusion regarding existing programs, as well as where and to whom they are available and how to get access to them. Some of these programs and services are funded or regulated by social assistance legislation; others fall under a variety of other statutes or are unregulated.

Any approach that seeks to enable as many people as possible to live within the community must provide a broad range of housing options. For example, some developmentally handicapped people – those who are profoundly disabled – require substantial resources in well-staffed group homes. Those with less severe disabilities may get enough assistance through the Family Home Program or the Supported Independent Living Program, or in regular housing in the community with the external support of Adult Protective Service Workers. At each point in this continuum, the four principles set out as part of the province's developing "supportive community living" concept should serve as program objectives: the promotion of independence, community integration, empowerment, and housing stability.[16]

One emerging direction that holds special promise is the attempt to move away from funding programs according to specific client groups. In the past, available funds have been targeted to discrete populations or specific residential settings. The new approach ties services to the person in need of them, not to the housing in which that person lives. Wherever possible, housing should be provided through non-profit programs that are not specifically targeted to categories of individuals, with a range of support services available within the community to meet the varying needs of people living in that housing.

An interesting example of this approach to the provision of support services to help people maintain their housing is Toronto's 90 Shuter, a housing project developed by the Homes First Society that contains 17 four- and five-bedroom apartments. Most tenants of 90 Shuter have had a history of homelessness, and many need support services. Instead of on-site "caregivers", various community agencies provide support to tenants as needed. This "portable services" approach has fostered the independence and health of tenants. Initiatives such as 90 Shuter demonstrate that once people have secure, affordable housing, and once a diagnosis of disability is no longer the means of access, many of the residents' health and social problems diminish or disappear.

The portable services concept is not the answer for all people who need supports to live in the community, and it should not prevent those with similar disabilities and needs from living together if they wish. Nor is it new: many community-based services for seniors have been founded on this principle. However, in order to increase its use where appropriate, government must provide encouragement to overcome reliance upon traditional approaches, as well as various legal, funding, and cost-sharing hurdles. The portable services concept is a valuable one that can be incorporated across all housing programs.

RECOMMENDATION 241

Wherever possible, the provincial government should give priority to the "portable services" concept, which separates housing and support services.

The GWA Act contains provisions for funding both emergency shelters and some long-term supportive housing (under the domiciliary hostel program). Some supports are provided to people in long-term housing through the purchase-of-counselling programs, which are also funded under the GWA Act. One of the major problems in the relationship between housing and support services is that there is no coherent policy regarding the type of accommodation appropriately funded through social assistance legislation.

The committee believes that long-term accommodation should not be funded under social assistance legislation. Rather, the portable services approach we have described should make needed supports available to people living in affordable housing. Specialized programs with unique services should be placed under separate provincial residential services legislation.

The residential services now available fall into two categories: supportive housing, and emergency housing and day programs.

Supportive Housing

Supportive housing consists of accommodation with on-site support services and/or links to external services. Such housing may or may not be provincially regulated.

Provincially Regulated Housing

Four provincial ministries are responsible for at least 10 pieces of legislation through which a wide variety of housing programs are funded and regulated. Included here are nursing homes, homes for special care, group homes, satellite homes, and many others. Many of the existing programs provide excellent service to targeted populations. Overall, they vary considerably in the services provided, funding mechanisms, and the degree to which the living environment resembles institutional settings.

TRANSITIONS

During our consultations we heard from a number of associations seeking new or expanded government support for specialized housing programs. Persons United for Self Help (PUSH) spoke on behalf of disabled persons, who are often effectively denied access to the community unless their living arrangements include support services. Many branches of the Ontario Friends of Schizophrenics appeared before us to advocate special housing for people with schizophrenia.

UNREGULATED HOUSING

Residential services that are not regulated by the province provide accommodation to thousands of people in various circumstances. A bewildering range of such residences exists: included are rest homes, domiciliary hostels, retirement homes, and boarding and lodging houses. While each of these is a discrete form of housing, in reality all are boarding and lodging arrangements. In addition to shelter and food, most provide some degree of care to their residents.

Private Boarding Houses The boarding house is the most-used form of permanent housing for single, employment-disadvantaged individuals who need some level of support. Those in such accommodation often live precarious lives, paying room-and-board charges that consume most of their social assistance allowances, leaving little or no money for personal expenses. If they must be hospitalized briefly, there is no formal mechanism by which they can retain their accommodation.

The quality of housing and care in private arrangements varies considerably. All must comply with local by-laws relating to fire safety, building codes, and public health standards where municipal by-laws include a category for boarding homes; not all by-laws include such a category.

Private Boarding Houses Funded Under the GWA Act The quality of care in private boarding houses may also be regulated when a municipality contracts with a boarding house, through the domiciliary hostel program under the GWA Act. Under the terms of this program a municipality or Indian band may contract with a private or public boarding house to provide long-term accommodation and services. Under such a contract, an owner/operator undertakes to provide an agreed-upon level of care. Nothing in the GWA Act defines what that level must be, and generally only a very basic level of care is provided. Such programs are funded 50% by the federal government, 30% by the province, and 20% by the municipality. Under GWA regulations, people who live in such homes and who qualify for assistance may have a per-diem amount paid on their behalf by the municipality. This program once funded primarily residential beds for elderly people; more recently, it has funded beds for people with mental health problems.

Two issues need to be addressed with respect to all boarding and lodging houses: protection of residents' rights, and standards of care.

Protection of Residents' Rights In Chapter 4, we make recommendations to better enable social assistance recipients to pay for accommodation in private room-and-board settings. It is also important that persons be protected by law in such accommodation. We commend the government for having included roomers and boarders within the Landlord and Tenant Act. However, clarification is needed about when the exemption relating to accommodation "for the purposes of providing care" applies.[17] Regulations should be developed governing the eviction of people from room-and-board situations, with special provisions for the termination of occupancy if tenants no longer meet bona fide admission criteria.

Standards of Care All municipalities must be required to include boarding houses in by-laws relating to physical safety and public health standards. Those by-laws must then be well enforced. All boarding and lodging houses, whether or not they have beds funded under the GWA Act, should be subject to these by-laws.

Beyond compliance with municipal fire, safety, and public health standards, boarding and lodging houses that provide care should meet certain standards. Provincial legislation should set standards that are enforceable by municipalities. The Rest Home Review currently being undertaken by a committee established by the provincial Office for Senior Citizens' Affairs is expected to make specific recommendations on such personal care standards.

RECOMMENDATION 242

Municipalities should be required to include a category for all boarding homes in their by-laws, to regulate such accommodation with respect to physical safety and public health standards, and then to enforce such by-laws.

RECOMMENDATION 243

The exemption in the Landlord and Tenant Act relating to room-and-board accommodation should be clarified, with special provisions enacted to govern the termination of tenancies where residents no longer meet bona fide admission criteria.

RECOMMENDATION 244

Specialized programs with unique services, such as transition houses, should be removed from social assistance legislation and funded and regulated through separate residential services legislation. The long-term domiciliary hostel program should also be removed, and its services should be provided as "portable services".

Emergency Housing and Day Programs

SHELTERS

Emergency shelters exist in many, but not all, municipalities. Some serve the homeless with either modest or more extensive support services. Others are targeted to people with particular needs – for example, transition houses for abused women and their children, and shelters for young people who cannot live at home. These shelters may have attached to them a wide range of services to help residents through personal crises.

The committee believes that emergency shelters should continue to be funded under social assistance legislation. Those that function more as specialized, supportive housing should be removed and placed under separate residential services legislation.

Three issues arose with respect to emergency shelters during our review: distribution across the province; funding arrangements, for both operating and capital expenses; and standards of care.

Distribution Across the Province The housing shortage cannot and must not be addressed by building hostels. Too many people, particularly in large urban municipalities, are forced to live in hostels on a long-term basis because of the scarcity of affordable housing. As the housing supply increases, the pressure on the hostel system should be greatly eased and the average length of stay should decrease. However, the need for emergency shelters that provide short-term accommodation for people in dire need will not be eliminated. Such shelters should be available in all communities. They provide a vital safety net and should be mandated as a required municipal responsibility under social assistance legislation.

RECOMMENDATION 245

Municipalities should be required to ensure that emergency shelter is available within their communities.

Funding Arrangements The present funding arrangements are inadequate and confusing and create instability for shelter providers. Many suggested to the committee that the maximum per-diem rate ($28.00 in 1988) – not to mention the lower amounts paid by many municipalities – is too low to allow for the provision of more than basic room and board, and is often completely inadequate for small shelters, which cannot achieve economies of scale. It is difficult to determine how much of the present problem is due to the fact that the present ceiling now applies to a much broader range of programs, some of which attempt to provide services to very needy residents. The per-diem rate must be reviewed in light of our recommendation that long-term and specialized programs be removed from the GWA Act.

In addition to the basic per-diem rate, a number of complicated funding arrangements have developed in response to special situations. These include floating per-diems, averaged per-diems, top-ups, and a confusing array of special arrangements involving higher per-diems and other unique funding enrichments. Moreover, the present approach of funding by the number of residents in the home creates great instability for those providers whose populations fluctuate.

Capital funding remains a major barrier to the development of emergency facilities. There is no provision for capital assistance within the General Welfare Assistance Act. The province should develop a capital program to make such funds more readily available.

RECOMMENDATION 246

In the short term, the GWA per-diem rate should be reviewed and, if necessary, raised to reflect the broader range of services now provided through the hostel program.

RECOMMENDATION 247

The funding mechanism for hostels should be adjusted to ensure that there exists a secure funding base, notwithstanding fluctuations in the number of residents.

RECOMMENDATION 248

Capital funding should be provided for the construction, renovation, and maintenance of emergency shelters.

Standards of Care There are currently no standards of care that apply across the province or across particular types of shelter programs. Social assistance legislation should address the minimum standards of care that must be met by all providers.

Day Programs

Day programs provide "places to be" during the day when hostels and some boarding and lodging houses are closed. They can help people obtain information about services they may need, and they promote social interaction in a non-threatening environment. Day programs are a relatively low priority for the province. Fragmentation of funding responsibility is a problem, with the Ministry of Health funding programs for people with psychiatric disabilities and the Ministry of Community and Social Services funding those for "socially disadvantaged" people. The requirement that the province ensure that emergency services are available should include some responsibility to provide appropriate day programs. This ought to be addressed in the work that is now under way within the provincial government to develop a Community Services Act.

RECOMMENDATION 249

The provincial government should rationalize jurisdictional responsibility for the funding of day programs and increase the available funding for such programs.

FAMILY LAW

The link between the social assistance system and family law – in particular, those laws that define the support obligations that exist between adults and between parents and their children – is an extremely important one. For example, people who receive support are likely to need social assistance for shorter periods, if at all; the higher the amount of support, the sooner they are likely to leave the social assistance system.[18]

In Chapter 4, we make recommendations that are guided by existing laws that affect families. Our proposed definition of the benefit unit reflects the law's definition of the family for support purposes. Another proposal will allow recipients some time to plan when modest family assets are sold and the proceeds are divided. Our recommendations regarding when young people may receive social assistance while on their own have been based on the circumstances under which the law treats them as able to live apart from their parents.

This section will focus upon support laws and the process by which support obligations are established. In large measure, "despite the constant interaction of the private and public support systems, they are not well integrated. Each tends to operate in an independent manner, virtually ignoring the existence of the other".[19]

We believe that it is reasonable and appropriate to expect those with private support obligations to meet them to the best of their ability. The fact that the state is prepared to provide support when it is not otherwise available is no justification in itself for relieving a spouse or parent of financial obligations and thereby increasing the likelihood that a recipient's stay in the social assistance system will be a lengthy one.

The simple affirmation of private support obligations is not enough. There is some risk that excessive confidence in and over-reliance upon the concept of individual responsibility can make it harder to recognize the real financial impact of marriage and family breakdown and can hinder debate about the appropriate relationship between the private and public support systems. Support obligations are of reduced value when little money is available and there are new dependants to support. New support laws that relieve the public purse can have unintended effects; for example, it is not necessarily supportive of family relations to tell a substitute parent that there is a risk of a long-term support obligation if a close relationship is formed with his or her partner's child.[20]

Women in particular find themselves caught between the public and private support systems in their struggle to secure adequate financial support for themselves and their children. The different policy frameworks underlying the two systems, and the failure of each to recognize the concrete problems facing those who are expected to find relief in the other system, have often resulted in confusion and serious financial hardship.

In this section, we will identify existing problems and advance proposals for change in six main areas: the obligation to seek support; the support application; the level of support; the enforcement of support orders; the parental support program; and integrated approaches.

The Obligation to Seek Support

In general, those who apply for social assistance are expected to seek whatever sources of support are available to them. This may include applying to the courts for support, where possible.

However, as we have pointed out in Chapter 4, existing policy regarding the circumstances under which a recipient should seek support is unclear, and it often differs depending upon the circumstances and the particular support obligation. Some abused spouses and unwed parents may be excused from suing, but practice varies widely across the province. Even less well defined are the circumstances under which disabled persons, parents of older children who have left home, and children whose parents are in financial need are expected to meet their support obligations.

We have recommended that clear policy be developed specifying the circumstances under which recipients should seek support, so that the present uncertainty is removed. The answer does not necessarily lie in expecting all who might be entitled to support to seek it. For example, there is good reason to believe that requiring parents to seek support from their children can lead to many parents not applying for social assistance when they are in need, to avoid imposing their needs upon their children.[21] Requiring a 17-year-old to sue his or her parents can drive an even deeper wedge between them as the court engages in a fruitless effort to decide who is responsible for the child's departure from the family.

Special problems face the abused woman who is expected to seek support from her abuser. Many suggested to us that the trauma and potential danger involved in doing so are such that she should be free to decide whether support will be sought. Yet it is wrong to allow a spouse or parent to profit from abusive behaviour by being relieved of the obligation to pay support. Rather the answer is to provide the abused woman with the option of having the government apply and to provide the resources she needs to be protected and helped through the court process. These include good representation by people skilled in representing abused spouses and access to resources – such as transition houses – that can ensure she is well protected.

The Support Application

Although in most cases, the law permits the Ministry of Community and Social Services to apply for support if it is providing social assistance, the practice is not to do so. We believe that this practice is wrong and fails to take into account the misunderstandings and added harm to relationships that can often result when a recipient makes his or her own application. An application for support made by the recipient can make a relationship adversarial when it was not hostile before. A better approach would be one that permitted the recipient to choose whether to bring the application personally, or to have the ministry bring the application.

The decision not to apply for support must be an informed one. The recipient's involvement in the proceedings will probably still be necessary. Furthermore, the support award will become extremely important when the recipient leaves the social assistance system. It may be very difficult to persuade a court to alter a low award at a later date, even though the recipient was not a party to the original proceedings.

Simply looking to the ministry to apply may not be enough. Other jurisdictions, notably New Zealand, have established administrative procedures for the determination of child support that operate alongside the court system and are available to everyone (not only social assistance recipients).[22] Such an approach might be difficult to implement constitutionally and could create confusion and overlap if spousal support and custody are also at issue. However, it is worth examining as an alternative that would relieve recipients from having to apply to the courts on their own in all cases.

RECOMMENDATION 250

Recipients should be permitted to choose whether to bring support applications on their own or have the Ministry of Community and Social Services bring applications.

There is an increasing reliance upon alternative forms of dispute resolution, such as mediation, in family law matters. We have been advised that such services are rarely available to people with low incomes, and very few family courts offer effective mediation programs. Lawyers may help applicants to negotiate a solution, and parental support workers (PSWs) employed by the Ministry of Community and Social Services and by municipalities may aid parties to reach agreement outside the courtroom. However, many recipients are unrepresented and PSWS are not always perceived to be neutral participants. Recipients should have easy access to legal representation and to trained mediators who are able to help the parties achieve settlements where appropriate.

RECOMMENDATION 251

Resources should be provided to make mediation services more available to people with low incomes.

The Level of Support

For many women, long-term poverty is the inexorable by-product of separation and divorce. Research in the United States found that, on average, divorced women and their children experienced a 73% decline in their standard of living in the first year after divorce, while their former husbands experienced a 42% rise in their standard of living.[23] Sole-support women pay the heavier financial price when the resources to support both spouses after separation are insufficient.

Two of the reasons for this disparity are of special concern to the committee. First, when the applicant for support is a social assistance recipient, courts often award less by way of spousal or child support. The money is perceived as going to the government, not the applicant. There is a failure to recognize that the sole-support parent may receive social assistance for only a short time, and will in all likelihood need to rely heavily on the support award to survive after leaving the social assistance system.

Second, family law increasingly emphasizes the presumed equality of spouses and has moved away from an assessment of fault towards an evaluation of the financial impact of the relationship on each of the parties when determining the amount of support. One result has been a growing reliance upon the "clean break" approach: once the assets have been divided and the immediate financial impact cushioned through time-limited support, the parties are on their own. If they have determined the amount of support through agreement, the courts are reluctant to intervene and order additional support, even when one spouse becomes a social assistance recipient. In a recent decision of the Supreme Court of Canada, Madam Justice Wilson stated:

> Absent some causal connection between the changed circumstances and the marriage, it seems to me that parties who have declared their relationship at an end should be taken at their word. They made the decision to marry and they made the decision to terminate their marriage. Their decisions should be respected. They should thereafter be free to make new lives for themselves without an ongoing contingent liability for future misfortunes which may befall the other. It is only, in my view, where the future misfortune has its genesis in the fact of the marriage that the Court should be able to override the settlement of their affairs made by the parties themselves...

> Accordingly, where an applicant seeking maintenance or an increase in existing level of maintenance establishes that he or she has suffered a radical change in circumstances flowing from an economic pattern of dependency engendered by the marriage, the Court may exercise its relieving power. Otherwise, the obligation to support the former spouse should be, as in the case of any other citizen, the communal responsibility of the State.[24]

The imposition of support obligations solely for the purpose of saving public funds is wrong. However, as Mr. Justice LaForest wrote in a dissenting opinion, "it would be idle to pretend that today men and women are generally subject to the same economic disabilities flowing from marriage and its collapse".[25] One author has said:

> The major issue affecting maintenance... is the extent to which wives, simply because of their marital status, can rely on their right to maintenance on divorce or separation. The extent to which judges have been willing to extinguish this right is not only a reflection of judicial perception of the changing role of women, it *may* also have an effect on the institution of marriage itself by challenging the taken-for-granted nature of women's dependency in marriage. Unfortunately as long as wives are forced to become economically dependent through marriage, and particularly through parenthood, the judiciary's belief that they should strive to be independent will not only be unrealistic but will impose considerable hardship on low- or non-earning mothers unless an alternative system of economic support is created.[26]

Women receiving social assistance can be caught between two systems with conflicting objectives: because the social assistance system places a high value on family obligations, women are strongly encouraged to seek support; yet the legal system assumes individual equality and proclaims their economic independence. For women who leave relationships in which few if any assets have been accumulated, a low, time-limited support award can have a devastating impact. An inadequate order for child support can be equally damaging.

Not only do such women move into the highly visible world of social assistance, where they must survive on inadequate rates and adjust to new rules that govern their behaviour, but they must do so without the support that might hasten their transition to independence and self-sufficiency.

Part of the answer lies in proposals made elsewhere in this report: the payment of adequate rates by a de-stigmatized social assistance system; the introduction of a children's benefit that would provide a reasonable sum for the care of children; access to the supports and resources necessary to achieve self-reliance; and a redefined benefit unit that accords with the law's definition of the family for support purposes, thus ensuring that the rules of the social assistance system are no more controlling than those that establish private obligations. In this manner, we collectively assume greater responsibility for the casualties of marriage and family breakdown. However, a clear need exists to examine more closely the relationship between social assistance policies and the rapidly changing field of family law. Present support laws should be reviewed, both to determine whether they fail to recognize sufficiently the financial impact of marriage or cohabitation, and to evaluate whether unanticipated problems within the family are created by the imposition of support obligations to save public funds.

There is an urgent need for better research to examine the actual financial impact of the new property and support laws and to provide the socioeconomic data that should be considered when determining the amount of support awards.[27] Courts need to be made aware that women leave the social assistance system and that support awards help to determine when this happens. There must be a better understanding of the real problems facing those who are expected to look to the state for relief when support from family members is denied. This can be achieved through better advocacy before the courts and by training for judges that includes consideration of the relationship between social assistance and family law, and the results of existing evaluative research in the area. Those who encourage the effort to seek support must be trained to understand how differently courts now respond to support applications.

RECOMMENDATION 252

The Ministry of Community and Social Services should engage the Ministry of the Attorney General in a joint review of existing laws dealing with private support obligations and their relationship to social assistance law.

RECOMMENDATION 253

Support should be given to research that assesses the impact on family members of recent family law legislation dealing with property division and support and seeks to develop guidelines for spousal and child support awards that reflect an understanding of the economic implications of marriage and family breakdown.

RECOMMENDATION 254

Measures should be taken to help lawyers and judges become aware of the interrelationship between the private and public support systems, and of the importance of support awards to women and children who receive social assistance.

Enforcement of Support Orders

In Ontario and elsewhere, the level of default in the payment of support orders has been a serious problem. Strong collection systems have worked in some jurisdictions.

For example, in 1980, Manitoba implemented the Family Maintenance Enforcement Program in order to enforce support orders. Its success was unquestionable. In 1975, 75% of support orders in Manitoba were in default. By the end of 1983, only 15% of support orders were in default.[28]

In Ontario, the new Support and Custody Orders Enforcement Act (SCOEA) came into force on July 2, 1987.[29] It established a government office to enforce private domestic contracts and court orders. Although it is still too early to measure the Act's impact, we believe that it has the potential of greatly helping spouses and sole-support parents, in particular those who wish to be free of social assistance. Also of value will be the new federal Family Orders and Agreements Enforcement Assistance Act.[30]

The Parental Support Program

For the past several years, social assistance recipients who have gone to court without lawyers have been assisted by parental support workers, who are government employees. Their responsibilities include representing the province or the municipality in support proceedings, negotiating domestic contracts on behalf of recipients, and ascertaining the whereabouts of spouses or parents who may have an obligation to provide support.

The advent of SCOEA will have an effect on the PSW role, because the new office assumes functions that previously occupied approximately 30% of the time of each PSW. At the same time, their ongoing role in applications to vary support orders and the possibility of more applications being brought by the ministry itself could more than offset this loss of responsibilities.

A clarification of the role of the PSW is also required for other reasons. Given the importance of the initial award and the fact that courts are becoming more reluctant to interfere in domestic contracts or to alter a low award at a later date, we see a need to examine whether lay persons should be negotiating these contracts or aiding clients, at least without specialized paralegal training and appropriate, independent legal support.

As government employees, PSWs represent the interests of the government at the same time as they are expected to assist recipients. Confusion has always existed regarding whose interests the PSW is in fact representing. In our view, the potential for conflict is great. There is value in having someone act on behalf of the government and on behalf of the recipient – the question is whether these two roles can, in fact, be performed by the same person when the recipient is not legally represented.

RECOMMENDATION 255

The functions of parental support workers should be reviewed and

their role in the new social assistance system should be clarified.

Integrated Approaches

These proposals are directed at improvements in two support systems that continue to function relatively independently of each other. There is a need to consider approaches that are more comprehensive and that may help to merge the two systems more effectively. Two approaches taken elsewhere in relation to child support are particularly noteworthy.

Public Maintenance Advance Systems In a number of European countries and elsewhere, the state ensures the provision of child support to a certain level, regardless of the outcome of measures to establish and enforce a parent's obligation.[31] The benefit is available to people who do not receive social assistance as well as people who do, and is paid before any support obligation is established. The state generally takes a major role in determining the amount and ensuring the payment of private support orders and agreements. These programs not only provide greater benefits for children, and therefore for their custodians, than does Ontario's social assistance system; they also represent a less stigmatizing approach, in keeping with our mainstream principle.

Child Support Assurance System This innovative Wisconsin program has three key features. First, a formula is used to determine the size of child support awards, based on the proportion of income that married couples spend on their children. A non-custodial parent must pay 17% of gross income for the maintenance of one child, 25% for two children, 29% for three children, 31% for four children, and 35% for five or more children, unless he or she can demonstrate that this is inappropriate in the particular case. Second, the amount of support is immediately withheld from the wages and other income of the non-custodial parent and then transferred to the parent who has custody. Finally, the program features an assured minimum benefit for every child eligible for support. If the amount paid by the non-custodial parent is lower than the assured benefit, the difference is made up through a public subsidy.

Only limited research into the effects of this program is available as yet,[32] and the assured benefit was not scheduled for introduction until late in 1988. The program does appear to address many of the problems outlined in this section and thus is worthy of careful analysis to determine its success and its applicability to Ontario.

RECOMMENDATION 256

Public maintenance advance systems and the Wisconsin Child Support Assurance System should be monitored and evaluated to determine their applicability to Ontario.

TRANSITIONS

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

The Canada Assistance Plan

Reform of the Canada Assistance Plan (CAP) is an essential component in laying the foundation for social assistance reform in Ontario and Canada. As part of a broader strategy, we are recommending changes that we believe the Department of National Health and Welfare could undertake in the short term, without legislative change or Order-in-Council approval.

The federal government plays a significant funding role by sharing 50% of all eligible provincial (including municipal) costs of social assistance and welfare service programs. For Ontario, the federal government's contribution in 1987/88 was estimated at $1.3 billion, of which $959 million was allocated to social assistance programs. Consequently, the implementation of our recommendations will greatly affect federal programs and expenditures in the social assistance area.

The design and administration of social assistance is, from a constitutional standpoint, a provincial responsibility. We are not recommending changes to the constitutional powers and responsibilities of the federal and provincial governments. However, meaningful social assistance reform will require a strong partnership between the federal government and Ontario.

The Role of CAP

We heard surprisingly few comments about CAP throughout this review. It appears that the public knows or understands little about CAP, even though it has been studied by two major parliamentary reviews during the 1980s, the Task Force on Federal-Provincial Fiscal Arrangements[33] and the Task Force on Program Review.[34] This is surprising because CAP has a major and often positive impact on social assistance programs in terms of policy, delivery, and funding.

CAP is a three-part federal statute that came into effect on April 1, 1966. Part I provides the authority for federal payments to provinces towards the cost of social assistance and welfare services. More than 75% of these federal payments to Ontario each year relate to social assistance. The balance relate to welfare services – such items as child care services, homemaker services, and the administration of both social assistance and welfare service programs.

The cost of social assistance benefits and the cost of administering social assistance programs provided by both the province and its municipalities are shared by the federal government under CAP. All federal payments, however, are made to the province. The division of funding responsibilities between a province and municipalities is a provincial matter and does not affect cost-sharing under CAP. Each province determines conditions of eligibility, standards for services and benefits, and the extent and nature of its social assistance or welfare program. CAP shares in the cost of only those expenditures meeting CAP criteria.

When CAP was introduced, the federal government's primary objective with respect to social assistance was to support and thereby encourage the provision by provinces of adequate levels of social assistance to all persons in need. The CAP legislation did not specifically define what was meant by "adequate" levels, other than to require that the provinces must provide financial aid or other assistance to anyone who qualifies as a person in need.

In keeping with this main objective, each province decides the social assistance rates that are payable by the province or its municipalities. CAP has not placed any limitations on provincial or municipal social assistance rates for cost-sharing purposes. For all practical purposes, cost-sharing of increased social assistance rates has always been accommodated under CAP.

For purposes of cost-sharing under CAP, eligibility for social assistance must be determined on a case-by-case basis, using a needs test. The CAP legislation provides that eligibility shall be determined "on the basis of a test established by the provincial authority that takes into account that person's budgetary requirements and the income and resources available to him to meet such requirements".

The needs test is fundamental to CAP and is applied in programs accounting for 80% of all CAP expenditures. Financial assistance paid by a province without requiring a needs test does not qualify for cost-sharing. For example, the supplement paid by Ontario to seniors (GAINS-A) receiving the federal guaranteed income supplement (GIS) is not cost-sharable under CAP. Eligibility for the provincial supplement is based on the individual's income and not on a needs test. This is an example of a provincial policy that was not designed to take advantage of cost-sharing.

A needs test consists of the following three processes, operating sequentially: an assets test; budgetary assessment of the applicant's requirements; and a determination of the dollar value of the social assistance benefit payable, which is the total value of the budgetary requirement for an applicant, less deductions for income.

Under provincial social assistance programs, applicants for assistance are subject to asset limitations: their liquid assets must be below a value determined by the province if they are to be considered for social assistance. For cost-sharing purposes, the federal authority also fixes a limit. Currently, Ontario and federal limits are the same. If the provincial limits were above the federal limit, cost-sharing would be limited to those recipients with asset levels within the federal limit. For applicants who qualify on the basis of the assets test, a budget-deficit calculation is then carried out. The budget deficit is the amount by which an applicant's budgetary requirements exceed his or her income.

The federal government has issued policy statements and four major guidelines related to the provision of social assistance. To the extent that these vary from provincial policy with respect to the calculation of social assistance benefits, they may, when applied, lead to a decrease in the federal contribution for social assistance. For example, the federal government establishes limits on earnings exemptions. If Ontario limits were to exceed the federal limits in any instance, the cost of social assistance for the particular case under consideration would not be fully sharable. That portion of the cost that is attributable to the use of the higher earnings exemptions by Ontario would not be shared by the federal government.

The federal government recently relaxed its requirements on earnings exemptions for a three-year period ending March 31, 1989. This was part of a major initiative to enhance the employability of social assistance recipients known as the "four-cornered agreement", which was reached between the federal departments of Health and Welfare and Employment and Immigration, and provincial social service and labour departments. It is important to note that the relaxation of the policy on earnings exemptions did not require any amendment to the CAP legislation or regulations. The basic CAP program remains unchanged.

A New Overall Strategy

Our overall view for the short and medium term is that CAP ought to be kept in place. Given our fear that limits may be put on CAP if it is brought back into Parliament, we accept, as have two other major reviews before ours, that CAP is a basically sound cost-sharing arrangement that has stood the test of time. Many of the problems we have noted can be cleared up within the context of the existing legislation. Those that cannot ought to be the subject of new fiscal arrangements. It could actually take longer to amend CAP than to make separate fiscal arrangements in a number of crucial areas such as income supplementation.

We are proposing changes within the context of CAP, while also proposing new federal-provincial fiscal arrangements to address other related funding issues. It would be premature and beyond our mandate to recommend the specific form that these new fiscal arrangements should take. Within CAP, however, there are a number of specific ways in which reform might be effected:

- Provinces could make certain changes within existing CAP guidelines – for example, moving provincially regulated limits to the maximums allowed under federal guidelines.
- The federal government could create new guidelines or policy statements or rein-

terpret existing ones. This could involve either simple changes to the current guidelines under CAP or policy statements that go farther than the existing guidelines. Guidelines that could be changed cover assets, earned income, and the crucial area of income supplementation.

- Demonstration projects could be undertaken. CAP administration encourages demonstration projects by offering 50% federal funding, but few provinces have taken advantage of the opportunity. The demonstration project mechanism can come under one of several different legislative authorities: CAP itself, welfare grants (a small but separate funding source), or a special appropriation. The only stipulations for demonstration projects are that they must be time-limited and geographically limited. It is extremely unlikely that the federal government would share in a major new provincial program without a demonstration project first.
- A term agreement could take the form of a waiver or change in existing guidelines, with complementary authority to draw on funds (that is, an appropriation). A good example of this type of mechanism is the recent four-cornered agreement.
- Regulations could actually be changed. This would involve change to the existing formal agreements with the province(s) or to the other existing Orders-in-Council.
- Changes could be made to the legislation. This is the largest, most time-consuming, and most extensive form of change that might be made. Experience shows that legislative change can require years to accomplish. There are three possible avenues: change CAP; change other legislation (for example, the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act); or introduce new legislation in the form of a bill or simply a special provision in an appropriations act (for example, in order to effect income supplementation).

Problems and Issues with CAP

While CAP may not have been intended to provide a basis for social policy formulation at the provincial level, conditions for cost-sharing under CAP are increasingly influencing provincial social policy decisions. In other words, whether a potential provincial social assistance cost can be shared may be the deciding factor in whether the expenditure is made by the province. As budgetary restraint has been undertaken by all governments in recent years, cost-sharing conditions have assumed an even more important role.

When CAP was enacted in 1966, 80% to 90% of social assistance recipients were considered unemployable. The assistance provisions of CAP were designed primarily for unemployable people – specifically, aged, ill, or disabled persons. Consequently, for many employable recipients, CAP policy is properly regarded as inadequate. Except for the four-cornered agreement, CAP policy does not adequately provide for sharing the costs of the many activities and services aimed at encouraging employable social assistance recipients to make the transition back into the labour force.

However, CAP is the only remaining major, open-ended, federal-provincial cost-sharing program. As noted by the Task Force on Program Review, it has widespread support from provincial governments. It provides a significant and secure funding base to provincial social assistance programs. We therefore see strong and persuasive reasons to keep CAP in place. We would not want to see its open-ended nature lost in the course of making changes to CAP. Nevertheless, a number of specific areas need to be addressed that involve improving CAP without redesigning it. In other areas, cost-sharing arrangements must be entered into with the federal government to enable implementation of our recommendations.

National Standards

Although the provinces hold constitutional primacy in the area of social assistance, this does not mean that there cannot or should not be national standards in the area of social assistance. Indeed, if Ontario is to implement the changes we have recommended, a greater federal presence in social assistance will be needed.

We support the current well-enforced conditions in CAP that ban residency requirements, require that assistance be paid to persons in need without any conditions attached (for example, workfare or liens), and mandate an appeals structure. Some would argue that these conditions are not unlike a set of standards. We are nevertheless concerned by the absence of standards regarding rates or needs testing. In recent years, the federal government, through CAP, has either avoided setting standards or only set ceilings above which sharing will not be available.

In the final analysis, we are proposing improvements that will have the effect of raising social assistance rates significantly. If Ontario were to implement these increases in the absence of at least some collateral action on the part of other provinces, we believe that the resultant differences could have a disruptive effect on social assistance programs. They could also create perceptions that may have an effect on interprovincial migration. The development of national standards is an effective way of avoiding future Charter challenges based upon interprovincial differences in areas of basic need. We believe that negotiations for national standards should begin now, before the Charter forces the issue.

RECOMMENDATION 257

Ontario should support the development of national standards for social assistance, especially in the areas of rates and needs testing, through the conditions established for federal cost-sharing.

ENRICHED FUNDING

If there is to be consistency across Canada in the areas that we have dealt with in this report, funding must be enriched for the "have-not" provinces. Some provinces may not be able to fund their share of increased costs, especially in the context of an improved rate structure. Increased funding cannot be effected in the context of the CAP legislation in its present form. Either some other legislative vehicle for enriched funding would have to be found, or the CAP legislation would require amendment.

> **RECOMMENDATION 258**
>
> **Ontario should advocate that separate special fiscal arrangements be made in order to provide enriched funding for social assistance to have-not provinces, to enable these provinces to participate in program enrichment.**

This idea is not new. CAP has long been criticized for its failure to address fiscal inequalities among provinces.[35] In 1975, provinces were offered enriched funding as part of a bilateral agreement to implement income supplementation. And the federal government has historically recognized the need for enriched funding in a number of areas, to ensure both national standards and regional program development.

WORK INCENTIVES

CAP sets earnings exemptions levels for cost-sharing purposes by guidelines. These levels are currently too low; they reflect CAP's original design, which was to assist provinces in supporting persons who were effectively outside the labour force. We are encouraged that the guidelines have been relaxed for the purposes of the four-cornered agreement, but this agreement is only for a three-year period. The CAP formula will resume when the fixed-term agreement is over, in 1989. This is unacceptable. Although there is some room left in the exemptions, which Ontario can use, we have already recommended that Ontario move at least to CAP maximums in this respect (Chapter 4). Ontario's earnings exemptions are discussed in Chapter 6.

> **RECOMMENDATION 259**
>
> **The Ontario government should enter into negotiations with the federal government to relax the current CAP guidelines on earnings exemptions.**

> **RECOMMENDATION 260**
>
> **Ontario should request the federal government to extend the March**

31, 1989, time limit placed on earnings exemptions in the four-cornered agreement pending negotiations for improved earnings exemptions.

Cost-Sharing for Income Supplementation

Income supplementation for Ontario's working poor is discussed in Chapter 6. Under CAP, for cost-sharing purposes, eligibility for all applicants must still be determined on the basis of a needs test. This requirement does not allow for sharing the full costs of the extremely modest income-tested programs of income supplementation now mounted in approximately half the provinces. If it is against the mandate of CAP to share the costs of income-tested programs, another mechanism will have to be found to permit cost-sharing in this crucial area. Provinces simply do not have the fiscal tools to permit them to undertake alone the kind of income supplementation program that is required.

RECOMMENDATION 261

Ontario should advocate the implementation of a special new fiscal arrangement in order to ensure cost-sharing for income-tested income supplementation programs.

In 1975, the federal government offered to contribute two-thirds of some income supplementation costs, as part of the proposals resulting from the federal-provincial social security review. Accordingly, it may be appropriate for the federal government to make contributions higher than the CAP standard of 50-50.

Assets Testing

In Chapter 4, we discuss the need for higher asset limits. The CAP assets guideline has not been revised since 1981, despite a 50% increase in the consumer price index over the intervening years; the ceilings should be raised by at least that amount.

Sharing of Social Assistance Costs

Sharing of social assistance costs under CAP is subject to the terms and conditions set out in the CAP legislation and regulations, the formal cost-sharing agreement, and policy statements and guidelines issued by the federal government. A small percentage of costs incurred by Ontario and its municipalities do not meet certain cost-sharing conditions. Accordingly, some benefit payments do not qualify – either in whole or in part – for cost-sharing. The federal share of social assistance is therefore slightly less than 50%. Restricted cost-sharing affects, for example, certain GAINS-D shelter costs and phase-out allowances.

RECOMMENDATION 262

The federal government should revise its interpretation of existing policy statements so that it fully shares in shelter-related and special incentive items not now covered.

Timing of Changes

In the short to medium term, we would like to see meaningful relaxation and modifications in existing guidelines. Improved cost-sharing could be effected immediately through the simple reinterpretation of existing guidelines. The following suggested changes to CAP could be undertaken by the Department of National Health and Welfare in the short term:

- increase the current earnings exemptions under the CAP earned-income guideline
- restore the value of the asset limits to 1981 standards under the CAP assets guideline
- reduce impediments to social assistance cost-sharing

Provinces and the federal government could also undertake in the short term to explore the development of national standards. Longer-term changes would include making special appropriations to increase CAP funding for social assistance in have-not provinces, and enacting a new federal-provincial cost-sharing arrangement for income supplementation.

We are strongly in favour of Ontario accepting the federal government's offer to conduct demonstration projects in a number of areas where provinces are suggesting reforms.

Programs and Services for Disabled Persons

Both the Vocational Rehabilitation of Disabled Persons (VRDP) Act and the Canada Assistance Plan provide mechanisms for cost-sharing of services for people with disabilities. While VRDP is entirely dedicated to services for disabled persons, CAP relates to both social assistance and services, and to anyone in financial need (not only disabled persons). The discussion of CAP in the previous section focused primarily on social assistance concerns; here, we will address CAP as it relates to rehabilitation and support services for persons with disabilities.

Under the Vocational Rehabilitation of Disabled Persons Act, 1961, the federal government may enter into agreements with provinces and territories to share 50% of the costs they incur in providing "a comprehensive program for the vocational rehabilitation of disabled persons." VRDP agreements have been in place with all provinces and territories, except Quebec, since 1962. Quebec entered into the 1986/88 Agreement on March 31, 1988. Although Quebec has not participated in prior agreements, a significant portion of its costs in providing programs and services to disabled persons has been shared under the Canada Assistance Plan.

In 1986/87, the federal government contributed $88 million to the vocational rehabilitation of approximately 150,000 disabled Canadians. Ontario's portion under VRDP amounted to approximately $28 million. For the 1985/86 fiscal year, Ontario estimated $10 million in revenue under CAP for non-residential services specifically related to working-age adults with disabilities.

Cost-Sharing Arrangements

VRDP

Even though the delivery of vocational rehabilitation services is an area of provincial jurisdiction, the federal government, through its spending power, sets conditions for cost-sharing of these services. These conditions are contained in the VRDP legislation, agreements, and guidelines.

The VRDP Agreement defines quite explicitly what a "comprehensive program" of vocational rehabilitation may entail: a complete range of goods and services necessary to enable a disabled person to become capable of pursuing regularly a substantially gainful occupation. For cost-sharing purposes these may include:

- assessment and counselling;
- full-time or part-time training (that is, academic or non-academic, in a simulated, employer-based, or otherwise specialized setting);
- competitive or non-competitive employment placement;
- books, tools, equipment, transportation, specialized clothing;
- remedial or restorative services to alleviate, reduce, or remove the handicapping condition (such as assistive devices, prosthetics, and modifications to homes, vehicles, or places of training or employment);
- follow-up goods and services for a maximum of 18 months following placement in employment.

Those eligible for programs funded under VRDP are people who, because of physical or mental impairment, are incapable of pursuing regularly any substantially gainful occupation. The effect of the definition is to exclude employed persons and persons without vocational interest and potential. Although this definition must be taken into account for cost-sharing purposes, the establishment and determination of eligibility for the provincial program is the sole responsibility of the province. It should be noted that financial need is not a consideration, except for the provision of a living allowance during vocational assessment and training.

Staff costs to administer the program, the costs of goods and services as listed above, and research and publicity costs are sharable. The costs of aids and devices that are available through programs that serve all disabled persons without charge are currently not sharable, because such programs serve people other than VRDP clients.

CAP

A range of disability-related goods and services may be cost-sharable under both the "assistance" and "welfare services" provisions of CAP. These include, for example, wheelchairs, assistive devices, medical supplies, attendant care, sign language interpreter and intervenor services, supported residential programs, respite care, and homemaker services. They are, however, subject to program and cost-sharing conditions, which relate to client eligibility, service eligibility, and eligibility of the system delivering the service. For example, there is a requirement to meet certain financial criteria for assistance and for welfare services, and there may be problems in cost-sharing when services are delivered by mainstream jurisdictions such as ministries of health or education.

There may be overlap in the kinds of goods and services that are sharable under VRDP and CAP, but because each arrangement has its own characteristics and conditions under which cost-sharing may be obtained, gaps also exist. On the other hand, CAP complements VRDP to the extent that it will cost-share some goods and services provided to disabled persons who do not have vocational interest or potential, while VRDP will not.

The Limits of VRDP

Although VRDP has played a vital role in stimulating provincial development of services for disabled persons, it is based on expectations that are now over 25 years old. As we have stated throughout this report, the social and economic expectations held by both disabled persons and society at large are now very different.

Over the past several years, it has become increasingly apparent that many of the conditions mandated under VRDP are becoming obsolete. They do not reflect the approaches that must now be taken to meet the service needs of disabled persons. For example, VRDP does not share the costs of maintaining persons with disabilities in competitive or non-competitive employment settings on an ongoing basis. It assumes that once employment is obtained, the individual is "rehabilitated" and no longer requires support services. It also reflects a time when many of the service needs of people for whom employment was not feasible were met in hospitals and other institutions. The service needs of such people are now expected to be met in the community.

These criticisms are not new. They have been raised in several reviews, but none has resulted in any major change. This may be due in part to the provinces' reluctance to risk losing the security of an open-ended source of funding. Efforts to negotiate major reform and additional cost-sharing could jeopardize this arrangement.

TRANSITIONS

In January 1987, the Minister of National Health and Welfare announced a review of fiscal arrangements affecting services for persons with disabilities. It focused on VRDP and on CAP, to the extent that CAP relates to rehabilitation and support services for disabled persons. It examined the cost-sharing of mental health programs, sheltered workshop programs, and programs for persons with alcohol and drug problems. The purpose of the review was to recommend improvements to VRDP and CAP, and to identify areas where new legislation or more suitable arrangements would improve the integration of disabled persons into the social and economic life of the community. It was guided by the following objectives:

- All disabled persons should receive the rehabilitation and support services they require.
- The full range of rehabilitation and support services required by persons with disabilities to participate fully in the social and economic life of the community should be supported.
- There should be enough flexibility to deliver services in a manner that promotes integration of disabled persons into community life.
- There should be support for efforts to assist public and private organizations to make services that are available to the broader population accessible to persons with disabilities.

It is our understanding that the initial review process has been completed and that consideration has been given to improving VRDP and CAP in the following ways:

- providing vocational rehabilitation services for a period of up to six months to employed disabled persons at risk of losing employment due to disability
- extending cost-sharing provisions for on-the-job training to a maximum of 24 months for both private and voluntary-sector employers, and extended sharing in the full cost – as opposed to 50% – of subsidies expended by provinces for training in the voluntary sector
- extending the VRDP provision for follow-up goods and services from 18 to 36 months
- extending cost-sharing provisions for technical aids and devices for eligible clients when they are provided through provincial programs that serve all disabled persons without charge
- recognizing direct payments to individuals for personal goods and services under the VRDP Agreement
- introducing in the VRDP Agreement an alternative to the Selection Committee process for the approval of individual training plans
- introducing in the VRDP Agreement a requirement for an appeal process for individuals seeking vocational rehabilitation services
- making available improved information on relevant VRDP programs
- revising CAP's financial-testing requirement for cost-sharing welfare services specif-

ically targeted to disabled persons, so that persons with disabilities will be considered "likely to be in need" by virtue of their disabilities

The objectives of the federal-provincial review and the improvements that have been considered are entirely compatible with the directions we have proposed for persons with disabilities. For example, the extension of cost-sharing provisions to employed people at risk recognizes the continued support-service needs of disabled persons once employment has been obtained. The provision of cost-sharing for aids and devices when they are provided through provincial programs that serve all disabled persons without charge is consistent with the way we envision services being delivered. The introduction of an appeal process in the VRDP Agreement is a significant improvement. There is an appeal process in Ontario, but we have already expressed our opinion that such appeal procedures need to be strengthened.

Although we support all the above changes, several areas still need to be addressed for cost-sharing purposes. First, VRDP cost-sharing provisions do not support the *ongoing* needs of competitively and non-competitively employed persons, nor do they support the provision of services for the broader purpose of living independently in the community.

Second, although there are provisions under CAP to cost-share goods and services that support independent community living, there are conditions that create restrictions. There may be problems, for example, in obtaining cost-sharing when the jurisdiction delivering the service is a mainstream jurisdiction. Accordingly, a specialized transportation service targeted specifically to disabled persons would not be sharable if delivered by the ministry that provides transit services to all persons. Similarly, a support service such as attendant care would not be sharable if delivered in an educational environment by an educational jurisdiction. Finally, improving CAP eligibility rules for welfare services provides cost-sharing of such services without testing financial need. This affects only services, however, and not goods or items such as wheelchairs, medical supplies, and assistive devices. As well, it does not apply to services that are not specifically targeted to disabled persons – for example, homemaker services, which are also utilized by elderly people.

Future Directions

The changes being considered by the federal-provincial review are important first steps towards improving fiscal arrangements that affect programs and services for persons with disabilities. These improvements can be implemented without amending legislation. Existing VRDP and CAP laws, however, do not individually or jointly have the flexibility to fully support the goal of integrating disabled persons into the life of the community. More comprehensive reform – which will require establishing new fiscal arrangements –is necessary to achieve this objective. These reforms would need to address cost-sharing without consideration of financial need; on an ongoing basis for all aspects of independent community living, including competitive and non-competitive employment; and in a way that supports the integration of persons with disabilities into the mainstream of the community.

While it is not our intention to jeopardize the security of existing fiscal arrangements, we are convinced, as are many others, that the principle of integrating disabled persons into the social and economic life of the community is vitally important. New cost-sharing arrangements that support this principle will provide a major impetus to make it a reality.

RECOMMENDATION 263

The improvements being considered by the federal-provincial review of fiscal arrangements affecting programs and services for disabled persons should be supported, and a more comprehensive review should be undertaken.

RECOMMENDATION 264

The more comprehensive review that takes place should seek new cost-sharing arrangements that more fully support the integration of persons with disabilities into the social and economic life of the community.

THE VOLUNTARY SECTOR

The provision of financial assistance and other services to people in need began as a charitable activity in this province. As outlined in Chapter 2, long before government began to assume the primary responsibility for social assistance, the voluntary sector provided assistance to meet basic human needs and to enhance the well-being of individuals and communities.

Today, the voluntary sector continues to play a vital role. It has, in fact, come to be relied upon by government to continue doing so. Consequently, the roles of government and the voluntary sector have become increasingly intertwined, while the demand for services continues to grow. It has become essential to define with clarity how the role of the voluntary sector differs from that of government and to determine how it can be supported as a partner in the attempt to meet society's collective responsibility to people in need.

In its submission to the committee, the United Way of Greater Toronto cited the four fundamental roles played by the voluntary sector: innovator, advocate, service provider, and value guardian.

1. As innovator, the voluntary sector pioneers programs and services that address evolving individual and community needs.
2. As advocate, it articulates the interests of populations at risk.
3. As service provider, it delivers diverse and responsive services.
4. As value guardian, it promotes citizen participation and leadership and a sense of belonging.[36]

One of Ontario's strengths has been its continuing reliance on small, community-based services offered by non-profit organizations. They provide an enormous range of services within an elaborate network extending into such areas as child welfare, child care, housing, individual counselling, self-help groups, and homemaker and rehabilitation services. Some of these services are provided without government support; others are partially funded by government, with the remainder of their funding coming from voluntary contributions; still others are fully funded by government. However, the most distinctive aspect of the voluntary sector's recent history has been the growing reliance upon it to meet basic needs for food and shelter. Two highly visible examples of this phenomenon are food banks and the Emergency Shelter and Assistance Program (ESAP).

A relatively recent development, food banks are non-profit organizations that collect, store, and distribute surplus food either to agencies or directly to the hungry. In 1980 food banks were virtually non-existent in Canada; by 1986 there were about 100.[37] Between 1986 and 1988, the amount of food distributed by 15 food banks in Southern Ontario increased by approximately 150%.[38] In addition, numerous other long-standing food services fall within the voluntary sector, including food co-operatives, school programs, emergency food vouchers, and missions. In 1987, more than 70 voluntary-sector agencies were providing food services in Metropolitan Toronto alone.[39] With a few exceptions, generally involving indirect funding, food banks are not funded by government.

ESAP is a relatively recent program that does receive government funding. Introduced by the Ministry of Community and Social Services in October 1982, it was intended to give financial aid to churches throughout Ontario to allow them to meet the increasing demand for emergency food and shelter that arose because of the recession. Although it was designed originally as a short-term program, ESAP has been expanded each winter since because of continued demand. At least 60% of program users are recipients of either FBA or GWA.[40]

The ESAP program highlights the difficulties that arise when government does not purchase enough services to keep up with the demand. Voluntary agencies are required to raise ever-greater contributions or to divert scarce resources to meet the constantly growing need. They become trapped in a role they did not want to assume, and as time passes, the opportunity to reduce their involvement or to leave the field diminishes.

Food banks have become vivid reminders of the inadequacies of social assistance and the absence of affordable housing. However, they have even broader implications.

> One of the most serious arguments made against food banks is that they serve to deflect public and political attention away from the need for long-standing and urgent reforms in the social security system. Food banks can help us believe the public safety net is working by leaving the public with the impression that the voluntary sector is simply providing a short-term back-up service. They do this in two ways: First, food banks emphasize the point that their emergency food is only a supplement for people on social assistance... The second way food banks can allow governments to get off the hook is by fostering the public belief that food banks are capable of handling the crisis in the short term... To a large extent, the belief that food banks remain an appropriate response to a social problem of national proportions is sustained by the individuals, groups, and organizations who remain willing and able to contribute time, food, and money.[41]

The emergence of this "secondary welfare system" places intolerable strains upon the voluntary sector as a whole. The problem is well summed up in the United Way brief:

> "Emergency services" have become part of the infrastructure of the social assistance system. While demonstrating the flexibility and responsiveness of the voluntary sector in our community and the commitment of caring volunteers, the system as a vehicle for delivering "basic requirements" must not continue for the following reasons:
>
> - It is not an efficient, effective or appropriate model to assure that an individual's basic needs are met.
> - The voluntary sector cannot afford nor should it accept responsibility for meeting these needs.
> - It permits the government to abdicate its responsibility for maintaining an adequate level of social assistance.[42]

The committee agrees with the concern, raised throughout our consultations, that the voluntary sector's role has been increasingly misdirected. We agree with the following conclusions, taken from a study sponsored by the Anglican Church:

> The provision of basic needs such as ...affordable housing, food and clothing, are primarily the responsibility of government... The kinds of needs that the church should be primarily responding to are those that can be met in the human interaction that develops between the person who has needs and the person who has help to offer. These are needs such as a sense of community and belonging, acceptance, respect, a sense of self worth, a right to contribute and a voice in one's future.[43]

We do not propose that any existing government support for voluntary efforts to provide basic services be terminated abruptly. However, we are strongly opposed to any moves that would establish the government in a formal sense as a funder of food banks as an essential part of the overall system.

The provision of adequate levels of social assistance is the primary method of ensuring the ultimate demise of the secondary welfare system, thereby freeing the voluntary sector to play a role of personal care and support. Where community organizations are funded to provide emergency food or shelter, financial arrangements must be such that these agencies are not compelled to deliver these services with their own money instead of government funds.

RECOMMENDATION 265

The government should reaffirm the traditional and ongoing role of the voluntary sector, while also asserting its own responsibility to provide adequate social assistance to those in need.

We have recommended, in Chapter 8, measures to achieve better co-ordination of services at the local level, with the voluntary sector playing a key role.

In its brief to this committee, the United Ways of Ontario noted that some modest efforts have been made by the Ministry of Community and Social Services to meet periodically with the United Ways to discuss policy and funding issues and to identify collaborative initiatives.[44] This beginning needs to be expanded upon, so that the concerns of the voluntary sector are adequately heard at the provincial level. Of particular importance would be a joint review of the roles of government and the voluntary sector in order to establish guidelines for the funding and delivery of services related to social assistance in which the voluntary sector has had an ongoing role.

RECOMMENDATION 266

Measures should be taken to promote greater collaboration between government and the voluntary sector in the planning and co-ordination of services.

We have proposed in Chapter 5 that existing agencies in the community may have a valuable role to play in the provision of opportunity planning to specific client groups. In addition, we have suggested that the purchase of opportunity planning from specific organizations may be an effective method of bringing together key elements of the community to plan for the economically disadvantaged, thereby implementing our principle of shared responsibility.

RECOMMENDATION 267

The voluntary sector should be looked upon as a possible provider of opportunity planning within the new social assistance system, with full government funding.

TRANSITIONS

We believe the efforts of government should be directed at resolving the underlying conditions that make food banks necessary, rather than establishing them as permanent fixtures within the social assistance system. Once this has been done, food banks may continue for other reasons. The essential difference would be that neither the system nor recipients would be required to depend upon them as the sole means of ensuring that their basic needs are met.

RECOMMENDATION 263

The Ontario government should not provide formalized funding to food banks.

PUBLIC ATTITUDES

Adoption of the recommendations in this report, taken in their entirety, will require a strong commitment by all sectors of society, but especially by government. The degree to which government exercises its political will to initiate reforms will be influenced to a large extent by the level of public support that exists.

Public understanding and support for the changes we have proposed is essential for several reasons. Many of the problems experienced by recipients result from low self-esteem and the stigma that attaches to receiving social assistance. Some of the recommendations in this report are intended to reduce stigma. Ultimately, however, the self-perception of social assistance recipients will be defined by the perceptions of the wider public. A well-informed public may be the most successful way to reduce stigma.

Public awareness is also important because a number of our recommendations will result in increased expenditures. Some significant expenditures may produce tangible benefits only over the long term. The public must understand why and how the recommended changes will be of benefit, and when visible results may be reasonably expected.

In general, the public is not well informed about the social assistance system. As the information presented in Chapter 2 clearly indicates, there is a gulf between widely held public perceptions and the reality of social assistance.

Although not many surveys of public attitudes towards social assistance have been undertaken, some information does exist that is of interest.[45] It suggests significant confusion and ambivalence towards social assistance, resulting in contradictory attitudes. On the one hand, the public generally manifests a belief that it is important to provide help to people in need. The public has demonstrated that it is particularly sympathetic to certain groups, such as disabled persons. Yet when the public is asked about programs like social assistance that help these groups, its response is often negative and punitive.

In 1985, a public survey was conducted by Goldfarb Consultants on behalf of the Ontario government. Of the respondents, 58% believed that the government should be spending more on assistance for disabled persons. Yet 46% said they would prefer to cut social assistance or welfare programs to avoid a tax increase. When asked which groups most needed government help, 72% said "young people looking for work" and 63% said "older workers who are unemployed". The category "people on welfare" was identified by only 23% of respondents as being most in need of government help, even though this category would include people from the other groups.

These contradictions suggest to us that the public does not have enough information to fully understand who receives social assistance and why. This leads to misunderstanding and explains, in part, the gap between public perceptions and the realities of social assistance.

We hope that this report will represent a step towards increased public understanding and support. Throughout, we have attempted to provide basic information that will increase the level of public awareness. The many background reports we commissioned should serve the same purpose. And the hundreds of submissions we received, especially those from recipients, provide an additional rich source of information and understanding.

Although this report may represent a good beginning, it is nothing more than that. The provincial government must launch a concerted and comprehensive public education campaign. It should provide basic and current information about the social assistance system and the people who benefit from and depend upon that system. The public education campaign must be designed to increase public awareness and, ultimately, to foster support for the kinds of changes we have advocated throughout this report.

There is good evidence to suggest that such a public education campaign can be effective. For example, the Canadian Mental Health Association has been running a powerful multimedia advertising campaign to improve public attitudes about those with mental illness and the programs that assist them. An evaluation of the campaign has concluded that it has been successful thus far.

The state of California developed a variety of information resources and aids to accompany changes it was proposing to the welfare system in the mid-1980s. We were impressed by the fact that all the information we received from Massachusetts, which recently made a number of constructive changes to its state welfare system, was printed on stationery that described its origins as "*your* Department of Welfare".

As part of our background research, we commissioned a report from an advertising consultant on the possible elements of a public education campaign.[46] The consultant proposed a province-wide, multimedia approach that would include advertising on television, in newspapers, and in magazines. Brochures, as well as video and slide presentations, would also be produced. The campaign would also entail media coverage at provincial and local levels. An important component of the campaign would be community-based information projects involving local staff and administrators as well as recipients, if possible. The report has been forwarded to the government.

RECOMMENDATION 269

The Ontario government should immediately begin to design and implement a comprehensive, province-wide public education program to increase the level of public awareness and understanding about the social assistance program and those who use it.

THE CANADIAN CHARTER OF RIGHTS AND FREEDOMS

In considering the impact of the Canadian Charter of Rights and Freedoms on our recommendations, we have had the benefit of two background papers that were prepared for us on this topic.[47] As we hope this report demonstrates, we have taken a broad view of the Charter, and we would encourage the same approach when our recommendations are implemented. In our view, a narrow approach to the Charter would be characterized by a reluctance to make changes in legislation and policy until forced to do so by the courts. We believe that the preferred approach is to pass laws and make policies consistent with the spirit and intent of the Charter.

Section 7 of the Charter has particular relevance to the social assistance system. It reads: "Everyone has the right to life, liberty and security of the person and the right not to be deprived thereof except in accordance with the principles of fundamental justice." Although the Supreme Court of Canada has not yet heard cases that specifically address the issue of whether the necessities of life can be considered part of the Charter's promised "security of the person", the court has so far interpreted Section 7 broadly, particularly in the context of criminal matters. For example, the rights of people accused of crimes have been held to include freedom from "social stigma and ostracism from the community, as well as other social, psychological and economic harms",[48] as well as from "loss of privacy, stress and anxiety resulting from a multitude of factors, including possible disruption of family, social life and work, legal costs, uncertainty as to outcome and sanction."[49]

A good argument can be made that certain government actions regarding social assistance affect precisely the same types of interests that are seen to be affected by criminal proceedings. A decision to deny benefits, for example, is likely to cause psychological harm, stress, and anxiety as well as economic harm. If entitlement to social assistance is found to be included in the definition of security of the person in Section 7 of the Charter, then it cannot be taken away except in accordance with the principles of fundamental justice. Many of our recommendations – in particular, the procedural protections that we have recommended in Chapter 7 – reflect acceptance of this viewpoint. Even if social assistance is not found to be a security-of-the-person issue under the Charter, however, we would make the same recommendations concerning procedural fairness as a fundamental requirement of administrative law.

A second key section of the Charter is Section 15, which states:

> (1) Every individual is equal before and under the law and has the right to equal protection and equal benefit of the law without discrimination and, in particular, without discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.
>
> (2) Subsection (1) does not preclude any law, program or activity that has as its object the amelioration of conditions of disadvantaged individuals or groups including those that are disadvantaged because of race, national or ethnic origin, colour, religion, sex, age or mental or physical disability.

There is much debate about how far the government is required to go in order to comply with Section 15. Clearly, the section requires the elimination of obviously discriminatory laws. One example within the social assistance system, described in Chapter 4, is the rule that results in 60- to 64-year-old women receiving more money than men of the same age.

How extensive is the obligation to protect equality rights established by the Charter? Some believe that the state is required to take positive steps to redress inequities, even those that were not created by the state.[50] Others do not feel that the Charter goes this far.[51] The courts have yet to face and resolve this debate. However, we have attempted to take a broad approach to Section 15. This affected our earlier recommendations regarding the so-called "spouse in the house" rule, and is perhaps best represented by the proposals we make in Chapter 6 that positive action be taken to provide disabled persons with the supports they need to participate in the labour force and to achieve interdependence within the broader community. It has also reinforced our belief that for all people in need, social assistance must be seen as a basic right, and it supports our proposal that an attempt be made to develop national standards in this area.

11

STAGES OF IMPLEMENTATION

A number of major reforms have been recommended in this report. In some instances, the time frame for reform is evident. In others, this is not the case. In this chapter, we present a broad strategy for five stages of change, describing the pace and extent of the reforms recommended at each stage. The five-stage approach will illustrate the adjustments we have made to ensure that our recommendations are implemented in a manner that is practical and financially realistic, while also being supportive of our overall objective and principles.

Why Proceed in Stages?

A "staged" reform process might seem to signal a disappointingly slow implementation of our recommendations. However, the income security system in Ontario and Canada is costly, large, and complex, and any attempt to introduce major change must take this reality into account. Some experts have advocated abolishing the current system and replacing it wholesale with a new, adequate, and rational system.[1] We believe that this ideal is impossible. Accordingly, we propose a reform process that would incrementally transform the present system, in orderly and understandable steps, into a better one.

Our objectives for the staging process are as follows:

- to make substantial improvements to the social assistance system at each stage;
- to achieve at each stage measurable milestones in the move towards a fully integrated and harmonized system;
- to pave the way to more comprehensive reforms in a manner that builds upon the progress made at each earlier stage;
- to implement the reforms with some recognition of the overall cost; and
- to adopt a time frame that reflects the urgency of change but also takes into consideration the enormous amount of work involved in achieving all that we have proposed.

There are six factors underlying our conclusion that reforms must be carried out in stages.

TRANSITIONS

HARMONIZATION

Movement towards reform must be properly harmonized. If the government were, for instance, to make a major move to create new incentives for social assistance recipients to work without beginning to address the problems of the working poor or social assistance adequacy, it is likely that the anomalies created would lead to failure and the ultimate rejection of reform. Similarly, if the government moved only on the issue of rate adequacy without addressing work incentives, it would not be long before the increases would be criticized in a way that would put long-term adequacy in jeopardy. We believe that the move towards adequate rates cannot be sustained in the longer term if greater disincentives to self-reliance are the result. Accordingly, given that not all the reforms can be introduced at once, a staged process that moves on all fronts at the same time is a necessity.

IMPLEMENTATION

From a purely administrative standpoint, it would be impossible to effect major reform of the social assistance and income security systems in one stroke. Although some writers have advocated it, we feel that a "big bang" approach would put too many elements of these complex systems in jeopardy. Instead, changes must be introduced as quickly as possible without creating unintended results that harm rather than help those whom these reforms are designed to assist.

Substantial planning and policy work, as well as significant staff training, must be done in advance of some of the major changes we have proposed. A single attempt at reform would run the risk of taking too long to begin, thus losing the momentum for change that now exists. When major change is put forward as an "all-or-nothing" proposition, general paralysis is the usual and predictable result. The opportunity to delay becomes greater because of the difficulty involved in implementing all the elements at the same time. On the other hand, it becomes more difficult to resist necessary change when the steps to realizing it are presented in an achievable fashion.

Finally, major expenditures are required to accomplish overall reform, even in a staged process. We accept that such expenditures must be planned in a way that recognizes all the other demands upon municipal, provincial, and federal treasuries.

CO-ORDINATION WITH OTHER GOVERNMENTS

A number of our proposals, particularly those that form the final stage, require the participation of the federal government. Others require changes in cost-sharing and other arrangements with municipal governments. As well, we hope that reforms in Ontario will be mirrored by similar changes in other Canadian provinces. The reform process must allow for the negotiation and discussion that will make this possible.

Efforts must be made to avoid the perception that social assistance is more generous in one part of the country than it is in another. We have proposed that an attempt be made to develop national minimum standards through federal cost-sharing conditions. Such efforts could be damaged by changes in one province that produce major variations in benefits across the country. This risk is not a reason to delay reforms unduly while awaiting a national consensus; however, we believe that reforms should be staged so as to allow time to search for that consensus.

Public Acceptance

In Chapter 2 and Chapter 10, we document the ambivalence and lack of understanding that exist among the public in relation to social assistance and those who receive it. A well-supported argument for staged reform, coupled with efforts to inform the public and to marshal support for our proposals, should aid in avoiding the resistance that might develop to a sudden "all-or-nothing" approach.

There is a risk of resistance even from those who support improvements in social assistance and related programs but who have become pessimistic about government's ability to make positive changes in these areas. This has produced considerable support for existing programs, not so much because they are the best programs possible, but rather because of skepticism about government's motivation in proposing reforms.

Most initiatives in the last ten years have contained new and strengthened measures for cost control. As a result, even advocates for a better social security system have become wary of major reforms, fearing that the proposals may contain intended or unintended restrictions. A staged process of reform, tied to clearly articulated objectives, should help to produce support from this sector as well.

Monitoring

The careful staging of social assistance reform enables periodic review to determine whether the desired results have been attained. We have been explicit about how we believe current social assistance recipients will respond to the offer of greater benefits and to measures designed to help them increase their independence and self-sufficiency. The step-by-step approach we advocate will permit those who are being asked to contribute major new resources to test the validity of our assumptions and predictions at key stages of the reform process.

The Lack of Supporting Research

In the course of our review, it became apparent that in a number of areas we required a greater amount of sound supporting research than is presently available. For example, we have acknowledged how little is known about which employment programs work best with certain high-risk populations. Although this is not an excuse for inactivity, it is also not a reason to endorse one or more approaches before experimentation and sound evaluation provide answers that are not now available. In a number of areas we have proposed an initial learning process before major reforms occur and final choices are made.

New Social Assistance Legislation

Many of our recommendations depend upon new legislation to support them. Legislation is important for other reasons as well. It visibly demonstrates the government's commitment to the recommendations made in this report. It offers the public an opportunity to be heard as broad proposals become concrete statutory provisions.

If the new social assistance statute includes the proper elements, it also becomes a means of holding the government accountable for the overall social assistance system and for the objectives that the system is designed to achieve. Unlike the present statutes, it can be a means of ensuring that the program is driven by the policies that we believe should guide it.

The proposed content of the new legislation is found in the recommendations we have made throughout this report. Here we add four suggestions designed to help the law perform the role we see as essential. First, it is vitally important that those interested in and affected by the legislation be consulted broadly during its development. (The process adopted with the recent Child and Family Services Act provides an example. The government first published a document that was used for consultation purposes. After feedback was received, draft legislation was produced for discussion. Following a second brief consultation, formal legislation was introduced, considered in committee, and passed.)

Second, the legislation should contain a preamble setting out the principles that have shaped it. The preamble should serve as an aid in the interpretation of the Act itself.

Third, more of the essential elements of the new system must be placed in the statute and fewer in regulations and policy manuals. For example, eligibility criteria and procedural protections should be in the Act. The definitions and rules governing forms of assistance within the system that are mandatory, such as opportunity planning, should be included. The criteria for the designation of local governments as delivery agents should be set out in law. The intent is not to paralyse the system or remove flexibility where it is needed. However, it is important that the Act establish a framework within which flexibility can exist; otherwise, the government's accountability for the program is greatly reduced. With such a framework, major changes in the program would require changes in the statute. This would reduce the likelihood of ending up with an anachronistic statute such as the ones we now have, which have been reinterpreted to the point where they no longer define the actual program.

Finally, the statute must include provisions that guarantee periodic review of its contents. An example of such provisions is found in recent federal legislation regarding evidence given by children; the Act provides for mandatory review by a parliamentary committee after four years of operation.

Some of our recommendations urge the government to shift some programs now funded within social assistance legislation to other statutes, for reasons relating to policy, funding, or standard-setting. For example, we have proposed that some specialized housing programs, such as transition houses, be funded and regulated through separate residential services legislation.

RECOMMENDATION 270

- **The development of new social assistance legislation should include a period of broad public consultation.**
- **The new Act should include a preamble setting out the principles underlying the legislation.**
- **The essential elements of the new social assistance system should be found in the statute rather than in regulations and policy manuals.**
- **The legislation should guarantee periodic review of the major elements of the new social assistance system.**

Stages of Reform in Summary

We are proposing that reform of the system occur over five defined stages.

Stage One: The First Year of Reform

In the first stage, the focus is on immediate changes that meet the following criteria:

- They must signal major moves in the areas of adequacy, incentives to work, and removal of complexity.
- They must be achievable from an administrative standpoint.
- Each must harmonize well with the remaining elements of the system and with other changes.
- Each must be able to be implemented through regulations or guidelines, rather than by statute, given that statutory change is unlikely in the first year.
- They must demonstrate the government's commitment to the broad objective and principles outlined in this report, along with a willingness to make the substantial initial expenditures that enable real reform.

Stage Two: Drafting of New Legislation

The second stage is centred on social assistance changes that are urgent but require either planning and design work, prior consultation with other governments and agencies and with the public, or new legislation. For example, interim changes in caseload ratios can be introduced immediately, but the broader human resources strategy and the introduction of opportunity planning into the system will take longer.

Many of the reforms depend upon the development of new social assistance legislation. For example, the move to one overall benefit and delivery structure must be authorized by legislation. The second stage presumes that some time will be needed for the development of the new statute and for the broad consultation that must precede it.

Stage Three: Implementation of New Legislation

In the third stage, changes will depend upon new legislation being in place before implementation can begin. Examples include the move to a Native-controlled social assistance system for Ontario's Native peoples and the placement of delivery responsibility at one level of government.

Stage Four: Income Supplementation and Benefit Adequacy

At this stage, the focus is primarily on the implementation of an income supplementation program, broadly available to all working poor persons. Each of the three previous stages will have included significant improvement in social assistance rates. Stage Four, however, will mark achievement of full adequacy as we have defined it.

Stage Five: New Income Security Programs

This stage is devoted to the implementation of other elements of income security reform outlined in Chapter 3: the disability insurance, disability benefit, and children's benefit programs.

It is important to note that we do not believe the order of implementation must be precisely as set out in this chapter. Some of the elements set out in Chapter 3, such as the children's benefit, could be implemented earlier if there is the political will to do so and if negotiations between the provincial and federal governments are successful.

During each stage, preparations must be made for the next. Even though specific mention is not made here of the necessary federal-provincial negotiations or of the consultation required on many of the proposed changes, we assume that these will be taking place in an ongoing fashion.

We have not included in the staging process all the changes we have proposed in related areas such as housing, health, and child care. Nor have we incorporated into the schedule the strategic planning that must be done within governments, or the related policy work that must be completed in such areas as labour and employment. However, throughout the report we have noted the work that must be done in these areas, and we have highlighted the urgent need in many cases to begin that work immediately.

The Impact and Consequences of Social Spending

In 1935, approximately half of the Ontario budget was allocated to social assistance.[2] Today's share is only about 5%. Times have changed, of course, so this comparison cannot be taken at face value. However, some people fear that increased levels of social assistance spending will result in serious economic problems, while others believe that economic problems are often alleviated by increased social spending, as was the case during the Great Depression.

Any analysis of the impact of new expenditures in social assistance must begin with the recognition that a large amount of money is now being spent on a system that few people think works well. Surely it would be preferable to spend the money required to create a system that will work, rather than continuing to spend large sums on one that does not.

The argument can be taken farther. The changes we propose, through Stage Five, if implemented across Canada, would entail significant added expenditures. However, such expenditures must be measured against the estimated $60 billion that is now spent on Canada's overall income security system, recognizing that they would bring us a great deal closer to the elimination of poverty in this country.

As we began to realize that our recommendations could require a substantial increase in expenditures, we were forced to consider a number of factors relating to social spending. We asked ourselves if spending on social programs has been effective. We wondered whether social spending was already too high, and whether we needed to think in terms of a reallocation of funds rather than an increase in spending. Finally, we gave serious thought to the economic impact of spending on social programs – in particular, to the possibility of negative economic consequences of increased social spending.

Has Spending on Social Programs Been Effective?

Determining with any degree of precision the effectiveness of the whole range of social programs is a difficult, if not impossible, task. We can never know what sort of place Ontario or Canada would be if, as a society, we had spent more or less money on social programs. Some critics of social spending argue that our social support system has failed. They point out that even though Canada spends, directly and indirectly, an estimated $60 billion annually on income security programs, poverty and homelessness continue to exist. Surely, they argue, this is evidence of a fundamental flaw in the welfare state.

While this may at first appear to be a logical argument, it does not stand up to close analysis. It is essential to remember that much of the social spending budget is allocated to important and beneficial income security programs, like family allowances and unemployment insurance, that were never intended solely to reduce poverty or to redistribute income. They have other legitimate policy objectives and directly benefit Canadians of all income levels, not just the poor.

What can be said, however, about the effectiveness of those social programs specifically designed to fight poverty? After the federal election of 1984, the new government commissioned a massive review of virtually all federal government programs that became known as the Nielsen Task Force. One study team was specifically struck to evaluate the Canada Assistance Plan (CAP), the enabling legislation for federal-provincial cost-sharing of social assistance and welfare programs. The study team concluded that, by and large, existing programs were helping to reduce poverty. Its report stated: "In summary, CAP is alleviating the effects of poverty in Canada... CAP has made much progress at the development of comprehensive general assistance programs across Canada. These are largely effective."[3]

Although social programs have not eliminated poverty in Ontario or across Canada, they have reduced poverty among some groups (the elderly in particular) and blunted the increase in poverty for other groups. As Keith Banting argued in a recent study, "the income security system in particular did mute the extremes of income inequality, and became one element in the remarkable stability in the distribution of income in the thirty-five years following the cessation of hostilities in 1945. From the harsher perspective of the 1980's, even such small gains cannot be ignored."[4] Although the committee is not satisfied with the overall progress in reducing poverty, we do not believe that the welfare state and social spending have failed to the extent that some critics argue.

Are We Already Spending Enough on Social Programs?

Like many other Canadians, we assumed that Canada is relatively generous to the disadvantaged and to those in need. We assumed that Canada's generosity would be reflected in an analysis of social spending in Canada relative to that in other Western industrialized countries. We were wrong.

In 1985, the Organization for Economic Co-operation and Development (OECD) published a comparative analysis of social spending in major Western industrialized countries.[5] Although the figures are somewhat dated, they do capture the situation immediately prior to the recession of 1981-82. More current statistics could reflect some distortions and anomalies resulting from the effects of the recession.

The OECD figures indicate that in 1981, Canada's expenditures on social programs amounted to 21.5% of gross domestic product (GDP). That level of expenditure left Canada in the bottom third of OECD countries, whose average expenditure on social programs was 25.6% of GDP. Social expenditures in the United States were slightly lower than in Canada, at 20.8% of GDP. Belgium, the Netherlands, Sweden, Denmark, and West Germany all spent in excess of 31% of GDP on social programs.

We recognize the limitations in international comparisons. For example, demographic differences exist: a larger elderly population in Europe results in larger expenditures on pensions in many European countries than in Canada. Nevertheless, these figures do indicate that Canada is not the big social spender that some people suggest. Nor do our expenditures on social programs appear to be exorbitant relative to those of other countries. As Banting concluded after analysing the OECD data, "The general pattern of the postwar Welfare State is thus reasonably clear. By comparative standards Canadian social policy represented a relatively limited response to the social tensions inherent in a capitalist economy."[6]

The overall level of social spending was also addressed by the federal Royal Commission on the Economic Union and Development Prospects for Canada, chaired by Donald Macdonald. Although the commissioners were critical of a number of features of social programs, they concluded that there was no evidence that a crisis existed as a result of the level of social spending. In fact, they implied that if the political will existed, Canada could afford to spend more on social programs:

> Commissioners see no reason to believe that the Canadian welfare state cannot be sustained, or that it creates an unbearable burden for our economy. Comparative evidence suggests that if there is an upper limit to social expenditures in a market economy, Canada has not yet reached it.[7]

The Economic Impact of Social Spending

We were reassured by the Macdonald Commission's conclusion that the level of social spending in Canada was not unreasonable. We were also encouraged by its statement that the level of social spending did not represent an economic burden – an issue of concern to our committee because of a view expressed by some that social spending serves as a "drag" on the economy.

The Macdonald Commission reached its conclusion in part because of a background study it commissioned. The study examined the impact of government activity on economic growth. One aspect of this work considered the economic effect of social security payments. Many economists hold that while income security programs may result in equality and security for individuals, they do so at the expense of economic growth and efficiency. The authors of the Macdonald Commission study, much to their surprise, found just the opposite:

> Perhaps the most puzzling aspect of our findings is the apparently positive relation between economic growth and social security payments... Our finding that the welfare state has in general been a positive factor in economic growth therefore comes as something of a surprise.[8]

In attempting to explain their findings, the authors suggested that the welfare state may create a level of social stability, which in turn fosters economic growth. They advanced this proposition:

> The welfare state may create a climate of social consensus that results in better labour-management relations, greater political stability, a higher degree of cooperation among the "social partners" and less alienation at the work place. All of these factors may contribute to higher productivity and higher economic growth. Certainly there is at least indirect support for these ideas in the political science and economic literature.[9]

The notion that social spending may actually contribute to economic growth is likely to unsettle those who have long believed it an impediment. The report of the Macdonald Commission is not the only recent study to challenge the traditional view of social spending. The potential economic benefits of social spending were also identified in a recent study commissioned by the Ontario Ministry of Treasury and Economics.

The author of the Ontario report, George Radwanski, was commissioned to review the service sector. Although social programs were only a small part of the overall study, some of his conclusions are germane to this discussion. Radwanski argued that social programs and a solid safety net are prerequisites to achieving the industrial adjustment and labour-market flexibility required of the new service economy. He identified an important strategic consideration: "In an economy where people are the most important asset, a strong network of social support measures is not a financial drain but a vital instrument of economic development."[10]

Radwanski even suggested that social programs are integral to an economic strategy that fosters entrepreneurial activity as a means to generate growth: "Such entrepreneurship by definition involves a certain amount of risk taking and the presence of an adequate social safety net plays an important role in enabling individuals to take those risks."[11]

More recently, a discussion paper released by the Economic Council of Canada confirmed that there is no consensus on the macroeconomic impact of the income security system and argued that much more research should be done. The paper did, however, challenge those who have argued that the federal deficit is a result of social spending.

The paper concluded: "What part of the responsibility for the deficit and accumulation of debt by the government is to be imputed to the income-security system is a highly debatable question."[12]

The evidence has led us to conclude that although certain social programs may have negative economic consequences, social spending as a whole is not inherently inconsistent or incompatible with economic growth and productivity. Indeed, certain forms of social spending may have positive economic benefits. In addition, we see no reason to believe that Ontario and Canada cannot sustain the higher levels of social spending that may be required by some of our recommendations. As the Macdonald Commission pointed out: "Other Western nations have managed to combine higher social expenditures as a proportion of GNP with impressive levels of economic performance."[13]

Members of the committee are more firmly convinced than ever that decisions about the appropriate and desirable level of social spending are primarily political rather than economic. As the report of the Macdonald Commission stated: "Economically, we seem free to choose our social future."[14] While political barriers may exist that will influence the implementation of our recommendations, we are skeptical of those based solely on economic arguments.

We fully accept that the recommendations contained in this report must be politically acceptable if they are to be implemented, but we also believe that the government can foster the necessary public acceptance. In addition to campaigns of public education, the government must establish realistic expectations for new social initiatives that entail increased expenditures.

We are encouraged by the results emerging from recent programs in the United States initiated to assist welfare recipients to enter or return to the labour force. Although there are fundamental differences in approach, some of the U.S. initiatives are similar to our proposals for ways to increase the self-reliance of social assistance recipients.

Not surprisingly, the U.S. initiatives to help recipients move into the labour force have substantial initial costs. What is now becoming apparent, however, is that those costs can be recouped over time. In San Diego, California, for example, every dollar spent on the program for sole-support mothers led to estimated budget savings over a five-year period of over $2. Other states have also realized long-term budget savings as a result of increased social spending, as have federal and local governments, depending on the specific funding formula used.[15]

More research is necessary, but it is not overly optimistic to suggest that programs to help recipients become employed can do more than achieve this objective: they can result in net long-term savings. Evaluations of new initiatives that require additional up-front expenditures must take this long-range view.

TRANSITIONS

Monitoring Reforms to the System

Since July 1986, members of the committee have devoted time and energy to a serious consideration of the issues discussed in this report. More importantly, thousands of individuals and groups in all parts of the province have used the committee as a vehicle to express their deeply felt concerns about the existing social assistance system and the need for major, fundamental reforms.

Expectations are high that the government will not only consider but respond to the many recommendations we have advanced. We do not expect that the government will accept all our proposals exactly as they are detailed here. We believe, however, that the government has an obligation to the thousands of people who participated in this review to respond to our recommendations.

RECOMMENDATION 271

Within six months of the release of this report, the government should issue a statement indicating what action it intends to take in response to our recommendations.

Such a statement should indicate which of our recommendations the government plans to implement as we have proposed and which it will implement with some modifications. It should also include a timetable for change and should identify which, if any, of our recommendations the government does not accept and why.

We also believe strongly that government should be accountable for spending public funds wisely. But we suggest that the traditional measures of accountability, such as rates of fraud and overpayment, however valid, tend to disguise the more important issue: accountability to the people the system is intended to serve. During the five stages of reform, the government should set up new standards of accountability that balance strictly fiscal objectives with overall program objectives.

The changes proposed for Stage One ought to be achievable within a time frame of one year; Stage Two should not take more than two years. It is neither prudent nor possible for us to recommend time frames for the following stages; however, by the end of the second stage, the government ought to be in a position to set clear targets for the achievement of these stages as well as defining its commitment to the overall and long-range recommendations.

RECOMMENDATION 272

The government should publish an annual report that describes the progress made in implementing our recommendations.

The notion of an annual status report is not unique. In fact, measures like both of the above recommendations were adopted by the federal government in response to *Obstacles*, the 1981 report of the Special Parliamentary Committee on the Disabled and Handicapped. The federal government issues an annual report of its progress in implementing that committee's recommendations. The adoption of an annual reporting procedure by the provincial government would help dispel the notion that our report is destined to "gather dust on the shelf".

Responding to our recommendations will not be sufficient to ensure that there will not be need of another committee like ours twenty or thirty years from now. In our view, the government must increase its accountability by developing a mechanism that would allow for an ongoing review and evaluation of the social assistance system as a whole. A variety of internal mechanisms can be implemented to monitor and evaluate the evolution of the social assistance system, but these are likely to be less effective if they are not complemented by an external review. Not only must the public be more actively involved in social assistance, for political reasons, but the social assistance system will benefit from their involvement.

A number of models exist to enable the government to receive input from the public. For example, the respected National Council of Welfare is a citizens' body established specifically to advise the federal Minister of Health and Welfare on income security issues. Our recommendation (in Chapter 4) of a citizens' panel to help develop a market basket formula to establish social assistance benefit levels is another example of how to involve the public.

Members of the public who clearly must be involved in social assistance planning are the recipients themselves. Their perspective is unique. The private sector spends a great deal of time and money to solicit input from consumers; we see no reason why this same principle should not be applied to consumers of public services.

There are now advocacy groups that represent the interests of certain groups of recipients. Groups representing disabled persons – such as PUSH and BOOST – have frequently addressed social assistance issues. Other groups of recipients (for example, sole-support mothers) have not generally been as well organized.

RECOMMENDATION 273

The provincial government should provide funding for a council of consumers of social assistance, with a mandate to provide ongoing advice on the design and development of the social assistance system.

The concept of a government-subsidized council of social assistance consumers is not new. The Manitoba government provides financial assistance to such a body, the Manitoba Anti-Poverty Organization. Its counterpart in Ottawa, the National Anti-Poverty Organization, has received federal assistance since 1971.

A similar organization could prove beneficial in Ontario. It would provide a vehicle for policy-makers and politicians to receive ongoing input from representatives of those who receive assistance. It might also help to alter the adversarial relationship that currently exists between recipients and those who work within the system at all levels. Finally, involving recipients in the planning and design of social assistance provides a concrete example of ways in which those who receive social assistance can increase their capacity for self-reliance by becoming actively involved in the process.

THE STAGES OF REFORM

This section gathers together many of the most significant of the recommended changes in the preceding chapters. Not all the recommendations we have made are included. Following the lists of recommendations for each of the first four stages, the estimated overall cost of the reforms is provided. In addition, tables are included to illustrate the financial impact of the changes on social assistance benefits in Stage One and Stage Four.

Costing

The costs we have outlined, especially those in the first three stages, relate almost exclusively to the social assistance system itself. It was beyond our mandate to conduct a cost-benefit analysis of all our proposals; therefore, the costs we have calculated will be partly offset by benefits that we have not been able to assess.

RECOMMENDATION 274

The government should undertake a cost-benefit analysis of our proposed reforms.

In all our calculations, we have used 1988 costs, because it is impossible to predict inflation, economic developments, or possible changes to other income security programs. As is made clear in Chapter 2, developments in the latter two areas would have a major impact upon social assistance caseloads and costs.

Over the five stages, three points are particularly important from a costing standpoint.

- Implementation of the recommendations at Stage One will require approximately $380 million to $415 million annually in new federal and provincial expenditures. These costs are high, but essential to begin the process of reform.

- It is difficult to predict the costs of Stage Four, when income supplementation will be introduced, as no program similar to our proposal currently exists. Much depends on the program design, the minimum wage, and the number of eligible clients who make use of the program. What may appear to be minor design details, such as the qualifying hours of employment or the definition of the benefit period, can have enormous effects on costs. The work we have done in this area suggests that a tightly defined income supplementation program would cost $1.3 billion per year.
- At Stage Five, the other new income security programs (disability insurance, the disability benefit, and the children's benefit) would be introduced. The precise costs at this stage will depend upon the design of these programs and cannot be estimated with any precision until a more detailed cost-benefit analysis has been completed.

Stage One: The First Year of Reform

Chapter 4: The Benefit Structure

- Extend eligibility to 18- to 20-year-old non-disabled persons living in their family homes.
- Extend eligibility to all refugee claimants, no matter what their immigration status.
- Eliminate automatic ineligibility.
- Begin the process of reducing categories.
- Complete the redefinition of the benefit unit to make it consistent with the Family Law Act.
- Raise asset ceilings and change asset rules to support recipients' transition to autonomy.
- Codify and simplify the treatment of income from sources outside the social assistance system.
- Make sponsored immigrants eligible while efforts are undertaken to make sponsorships enforceable.
- Commission a study to develop a definition of adequacy based on the market basket method.
- Substantially improve shelter cost reimbursement by covering 100% of actual shelter costs up to the existing shelter subsidy ceilings, and by recognizing actual utilities costs in full.
- Improve benefits to boarders.
- Eliminate the distinction between profit and non-profit boarding rates.
- Dissociate institutional charging and funding policies from the social assistance rate-setting process.
- Raise the personal needs allowances now paid to recipients in some institutions and

extend it to recipients in all institutions.

- Increase social assistance rates in general and raise the highest GAINS-D rate to GAINS-A levels.
- Make special needs that are necessities mandatory as opposed to discretionary benefits.
- Collapse categories for child-related benefits to two age groupings: age 12 and under, and over 12.
- Extend to 60- to 64-year-old men the benefits received by women in that age group, and equalize benefits between people over age 65 and 60- to 64-year-olds.
- Close the gap between rates paid to single people who are considered employable and those deemed temporarily unemployable.
- Add the value of the average monthly costs of in-kind benefits to the monthly benefit itself when calculating the point at which in-kind benefits cease.
- Begin harmonization of the needs tests of various programs.

Chapter 5: Opportunity Planning and Human Resources

- Begin implementation planning for the opportunity planner role.
- Establish administrative procedures to facilitate the referral of applicants and recipients to the VRS program.
- Make interim changes to improve workload and caseload ratios.
- Establish a joint municipal-provincial training committee with wide membership to develop and facilitate a comprehensive training program for all staff.
- Establish a long-term human resources strategy committee.

Chapter 6: Moving Towards Self-Reliance

Improve basic incentives to employment:

- Extend phase-out benefits to part-time earners.
- Remove the 120-hour monthly limit on paid employment for sole-support parents.
- Change the definition of "earned income" to reflect net rather than gross earnings.
- Permit deduction of work expenses from earned income at their actual cost.
- Allow child care expenses as a work-related exemption.
- Increase basic earnings exemptions.
- Lower the tax-back rate to 66.66%, so that all recipients are "better off working".
- Equalize earnings averaging periods at six months.
- Apply the same treatment to income from training programs as to earnings.

Improve income supplementation:

- Extend GWA to all recipients working full-time who remain in need.
- Improve and extend the Work Incentive Program (WIN).

Improve employment services:

- Expand literacy programs and co-operative education programs.
- Increase Canadian research and evaluation of employment programs.
- Provide more employment-related services such as guaranteed access to child care.
- Speed up implementation of Project Opportunity initiatives.
- Develop and further expand support services for disabled people through mainstream ministries.

Chapter 7: Program Delivery

- Improve advocacy services and access to these services.
- Introduce measures to create an open system.
- Review all discretionary decision-making to determine the appropriate level of discretion in each case.
- Implement tighter and clearer rules to guide discretion and measures to assist staff in making discretionary judgements.
- Introduce a simplified application process, including the relaxation of the home-visit requirement.
- Begin implementation of a new disability determination process, including a new payment policy for attending physicians and a new Professional Review Committee.
- Introduce measures to improve French-language service, and service to multicultural communities.
- Introduce safeguards for payments to third parties and appointment of trustees.
- Implement new in-house appeals procedures.
- Introduce recommended improvements to the Social Assistance Review Board.
- Pilot the use of technology to improve service in the following areas: better information for recipients; voluntary direct deposit of benefits; and reduced paperwork through automated record-keeping. As well, cost-benefit analysis should be done of an on-line link-up to the client database.
- Move to ensure system integrity by establishing a special review unit and developing plans to evaluate the most promising approaches to prevent abuse of the system.
- Introduce new policies and procedures regarding overpayments.

Chapter 8: Administration and Funding

- Move immediately to consolidate the remaining unconsolidated counties and districts and encourage the consolidation of separated cities with surrounding counties or districts, where appropriate.
- Develop conditions for municipal delivery and begin to assess municipalities' ability to deliver.

Table 1. Social Assistance Rates at Stage One (1988$)

	Present Maximum Rate ($)	New Maximum Rate ($)[1]	Increase (%)
CLIENT TYPE			
Single employable person	467.00	572.00	22.5
Single disabled person	693.00	762.87	10.1
Single parent with two children	993.00	1,167.00	17.5
Family of four	1,043.00	1,226.00	17.5

[1] Based upon the minimum rate increase we would find acceptable at Stage One.

- Expand the province's ability to do policy work in this area, including a major emphasis on consultation with municipalities, staff, and recipients.
- Complete the Provincial-Municipal Social Services Review, using the funding recommendations in this report as guides in the PMSSR's work.
- Transfer responsibility for the delivery and funding of Supplementary Aid for disabled persons to the province.
- Introduce provincial funding of Special Assistance at 80%.
- Consider possible improvements to provincial cost-sharing of administration.

Chapter 9: Native Communities

Adopt the short-term measures outlined in the chapter, such as increasing support for Native welfare administrators and providing more community-based services.

Chapter 10: Related Reforms

We have outlined a number of changes in fields related to social assistance, such as health, housing, and family law. Some of these changes should be set in motion immediately. For example, we have proposed a major increase in the Rent Supplement Program and immediate steps to improve the GWA hostel program. Early steps should be taken to give recipients the choice of whether to bring applications for support in their own names or to have such applications brought by the Ministry of Community and Social Services. We have also proposed that the government introduce a more broadly based, integrated dental program for all low-income persons.

Cost of Stage One

The annual cost of the Stage One initiatives will be between $380 million and $415 million. The primary variable is the size of the general rate increase. The most costly of the reforms to be introduced at this stage are those that are shelter-related. The overall impact on social assistance rates of the changes made at this stage is shown in Table 1.

Stage Two: Drafting of New Legislation

Chapter 4: The Benefit Structure

- Move to one social assistance benefit structure. This change presupposes the merger of the FBA and GWA legislation through new integrated social assistance legislation. It will permit the establishment of a definition of adequacy, along with procedures to establish and adjust rates. It will also allow the completion of reform of categories, the creation of more mandatory benefits, and the replacement of current definitions of disability and permanent unemployability.
- Complete a number of other reforms, including the equalization of rates for adults, the extension of eligibility to 16-and 17-year-olds (subject to special conditions), the adoption of new shelter ceilings, and the improvement of all rates for disabled recipients by raising them to levels determined through ongoing work to establish the basic needs of persons with disabilities.

Chapter 5: Opportunity Planning and Human Resources

- Implement the opportunity planning program.
- Implement fully a formal linkage between VRS and social assistance.
- Introduce a new human resources strategy, including a province-wide training program.

Chapter 6: Moving Towards Self-Reliance

- Increase access to WIN for all social assistance recipients.
- Ensure harmonization of minimum wages and incentives provisions with benefit increases.
- Complete the transfer to OSAP of basic assistance for post-secondary students.
- Put a plan in place to increase youth employment.
- Further test and expand employment programs.
- Fully implement the initiatives of Project Opportunity.
- Continue to develop and expand support services for disabled people through mainstream programs.

Chapter 7: Program Delivery

- Incorporate a reformed delivery process into new legislation: for example, improvements to the disability determination process and greater procedural fairness during appeals.
- Test new technological improvements and implement the successful experiments from Stage One.

- Introduce innovations tested by the review unit to identify and control abuse within the system.

Chapter 8: Administration and Funding

- Complete a plan for a unified delivery structure.
- Begin unification of FBA and GWA at the municipal level in municipalities that have met the conditions for delivery at that level.
- Develop a strategic plan for the economically disadvantaged, including the development of regional and area plans that reflect the strategic plan.
- Make organizational changes to integrate delivery of all provincial employment programs in one ministry.
- Begin experiments in local co-ordination of social assistance and related programs.
- Implement a new cost-sharing strategy for social assistance following the report of the Provincial-Municipal Social Services Review.

Chapter 9: Native Communities

Continue initiatives as outlined in the chapter, with particular emphasis on extensive consultation, the establishment of a specific section in the new social assistance legislation to enable Native people to deliver their own culturally appropriate social assistance programs, and negotiation of changes in the Indian Welfare Agreement to support the new approach.

Chapter 10: Related Reforms

Continue to implement the reforms recommended in the chapter.

Cost of Stage Two

The annual cost of the major items in Stage Two will be approximately $225 million. The greater part of this increase is devoted to a further move towards adequacy as defined by the market basket approach.

Stage Three: Implementation of New Legislation

Once new social assistance legislation has been passed, the process of implementation can begin. In particular, the work at this stage will focus on implementation of the new delivery system described in Chapter 5, Chapter 7, and Chapter 8. Delivery of social assistance and opportunity planning would occur at the municipal level where our conditions can be met and at the provincial level where they cannot. In this stage, there will be further movements towards benefit adequacy, and the delivery of many

Table 2. Social Assistance Rates at Stage Four (1988$)

	Stage One Maximum Rate ($)[1]	Stage Four Rate($)	Increase over Stage One(%)
CLIENT TYPE			
Single employable person	572.00	713.00	24.7
Single disabled person	762.87	843.00	10.5
Single parent with two children	1,167.00	1,425.00	22.1
Family of four	1,226.00	1,663.00	35.6

[1] Based upon the minimum rate increase we would find acceptable at Stage One.

special-needs items will be transferred to the ministries traditionally responsible for their delivery in the mainstream community.

The staffing initiatives we have recommended in the context of a unified delivery system will become fully operational. This would include the purchase of opportunity planning from community agencies having expertise with specific client groups. At this stage, too, further strides will be made to assist recipients to become self-reliant. Further efforts to harmonize incentives with benefits, a separate mechanism for the delivery of income supplementation to social assistance recipients, and enriched employment and support services will all be implemented in the third stage.

For persons with disabilities, the VRS program will be broadened to provide opportunity planning for the range of independent community living options. A number of Native-designed and -controlled social assistance programs will be established in Native communities.

Significant advances must be made at this stage in the areas of federal-provincial fiscal relations, housing, family law, and health care to complement the implementation of new social assistance legislation.

Cost of Stage Three

The estimated cost of Stage Three implementation is $200 million.

Stage Four: Income Supplementation and Benefit Adequacy

Stage Four will involve two significant changes: the extension of income supplementation to all working poor people, and the further improvement of social assistance benefit levels to reach the standard of adequacy indicated by the market basket. Although it is impossible to predict what rates will be, Table 2 shows approximate amounts that seem appropriate (in 1988 dollars).

The finalization and implementation of any remaining recommendations involving the social assistance system itself should be taking place at this stage. With the reformed social assistance system in place, the major reforms advocated for the income security system as a whole can then be implemented.

Cost of Stage Four

The estimated costs of Stage Four are $225 million in social assistance changes and $1.3 billion for an income supplementation program with tightly designed eligibility criteria.

The costs over the four stages, therefore, would be $1.05 billion for social assistance and $1.3 billion for income supplementation, for a total cost of $2.35 billion. However, we believe it is safe to assume that income supplementation will reduce social assistance expenditures, thereby lowering total expenditures from $2.35 billion to approximately $2.1 billion, a net increase to social assistance of $800 million. This latter figure would represent a 47% increase in the total cost of social assistance by the end of Stage Four, based on the 1987/88 federal and provincial costs of $1.7 billion.

Stage Five: New Income Security Programs

At Stage Five, the last two elements of income security reform, children's benefits and disability insurance and benefits, will be implemented and harmonized with the other elements of the overall income security system. Stage Five will entail added costs that we have not been able to estimate with precision. Accordingly, we decided not to cost this stage before a more substantial cost-benefit analysis is done.

Different assumptions here could increase or decrease net cost estimates considerably. For example, differing predictions about the number of single parents who will leave the social assistance system would affect cost estimates by hundreds of millions of dollars. At another level, with decreases or increases in the labour supply as demographic changes occur, costs at Stage Five could increase or decrease substantially.

A full cost-benefit analysis of the Stage Five programs should demonstrate immediate and long-term benefits in other areas. Perhaps the best example is the anticipated savings from lower use of the health care system by both children and adults. We have noted the increased health difficulties faced by social assistance recipients, some of which are directly tied to the inadequacy of benefits.

The introduction of financial incentives to work, expansion of employment-related services, and better integration of the public and private support systems, along with the security net that the proposed new benefits will provide, should greatly increase the ability of people to live without social assistance. The overall caseload could be reduced by 60% to 70%.

Without this additional analysis, estimates that ignore possible savings would be misrepresentative; so too would be estimates that proceeded from unsubstantiated assumptions about the savings to be realized. We have begun work that will assist those who design the benefits for Stage Five, but more remains to be done.

Appendix A

Terms of Reference

Released by the Ontario Ministry of Community and Social Services, July 1986.

I BACKGROUND - THE NEED FOR REVIEW

There are a number of compelling reasons to undertake a comprehensive review of social assistance and related programs in Ontario at this time.

Ontario's two major pieces of income maintenance legislation have existed virtually unchanged for 20 years. The General Welfare Assistance Act was proclaimed in 1958 and the Family Benefits Act in 1967.

Under these two programs, the Province now spends more than $1.5 billion each year on social assistance to some 480,000 men, women and children. Clients include sole support parents, employable persons, and those who are physically or mentally disabled or permanently unemployable. Millions more is spent on other programs designed to alleviate the effects of poverty and to help people improve their economic situations.

Despite ongoing increases in expenditures, there is increasing concern that the system is in need of significant improvement, or indeed, that it is failing to meet its basic objectives. Even though recent rate increases have now fully "caught up" to inflation, there appears to be more demand than ever for emergency meals and shelter services. Clients also are having difficulty finding affordable housing, and indeed, many spend a major portion of their allowances on rent.

In addition, the ongoing growth in the total social assistance caseload in the face of declining unemployment is a particularly disturbing phenomenon. People on short term General Welfare are staying on assistance for longer time periods than ever before. Social assistance legislation was designed for a different period, a time when women stayed home, the great majority of families had two parents, and fathers were typically the sole wage earners in the family. Clearly, much has changed.

These overall trends are receiving increasing public attention, as are a number of other factors:

- a growing awareness of the potential impact of the Charter in terms of government's ability to define who should receive benefits (e.g., how to treat a single parent on social assistance who establishes a common-law relationship, but there is no legal onus of support on the new spouse).
- increasing involvement of "rights" movements, to ensure clients receive due process of law;
- a growing awareness of the problems of the "working poor" and the inequities between those working full time at low wages and those who are on social assistance (Ontario is the last province to make full provisions for assistance for those earning less than they would have received in welfare);
- a perception that social welfare agencies are not well-coordinated to help clients with multiple needs;
- an apparent continuation of the traditional approach of offering a "hand-out", not a "hand up".

These concerns are reinforced by an examination of Ontario's social assistance legislation, which has not been amended in many years and does not reflect:

- changing client characteristics;
- changing client needs;
- changing delivery modes and technologies.

II PURPOSE OF THE REVIEW

The Ontario Cabinet has given approval for a public review of social assistance and related programs under the auspices of the Ministry of Community and Social Services to examine and answer the following questions:

- what should be the guiding principles and objectives of social assistance and related programs?
- to what extent is the present system meeting these objectives?
- what overall strategies for change should the Province adopt?
- what parameters should the Province accept as it moves to change its legislation?

It is hoped that the review will lay the groundwork for the development of new legislation which is more appropriate and responsive to current and future needs.

III SCOPE OF THE REVIEW

Review Committee members will be asked to produce a report which provides the Province with an overall set of principles and a framework for ensuring that social assistance programs are brought into line with those principles.

Within the context of the Cabinet decision, the review is primarily meant to address social assistance programs which are within the mandate and the jurisdiction of the

Government of Ontario. The Committee, however, may examine programs at other levels of government and make recommendations as to the posture the Ontario Government may wish to adopt in future discussions with federal and municipal counterparts.

In order to fulfill its mandate, the Review Committee will have to address a number of additional questions and make general observations and conclusions. Examples of the major subsidiary questions are as follows:

- is there sufficient direct support (cash assistance and fringe benefits) being provided to those already on assistance;
- is the assistance available to all who should receive it (issues related to the working poor, as well as the Charter);
- is assistance being provided in a fair and responsive manner;
- what role are emergency services (food, hostels) playing; what role should they be playing;
- what are the impact of the Province's overall housing policies on social assistance recipients and the working poor and how can/should social assistance mechanisms be used to complement overall housing objectives;
- are there sufficient and appropriate social support services available (e.g., counselling, referral);
- is there enough emphasis on provisions designed to help clients move towards economic independence;
- what factors impede the attainment of the articulated objectives and principles of social assistance;
- which levels of government should pay for social assistance; which levels should deliver it.

IV METHODOLOGY

A Review Committee of 12 individuals has been named to undertake the task.

The Committee will be expected to:

- gather information on existing programs;
- study available literature;
- analyze and research initiatives currently underway within the Ontario Government, federal and municipal levels of government, in other provinces, and possibly other countries;
- undertake public consultation;
- have background papers written;
- analyze alternative approaches and their implications;
- prepare a report and make recommendations.

Appendix B

Staff and Project Team

These staff members assisted the committee for varying lengths of time over the two years of our work.

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Appendix C

Advisory Groups

These formal advisory groups were established by the Social Assistance Review Committee to identify issues and advise committee members on possible reforms. The groups met between October 1986 and November 1987 and presented recommendations. The written reports of three of the groups are listed in Appendix G.

SOLE-SUPPORT PARENTS ADVISORY GROUP

Darlene Archer
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Ontario Conference of Bishops

Susan Lussier
Jesuit Centre for Social Faith and Justice

Bill Luttrell
GATT-fly

Rev. Angus McDougal S.J.
Ontario Conference of Catholic Bishops

Rev. Rick Myers
Christian Church (Disciples of Christ) in Canada

Sr. Barbara Paleczny
Canadian Religious Conference – Ontario

Rev. David Pfrimmer
Eastern Synod of the Evangelical Lutheran Church in Canada

Peter Robinson
People Priorities

APPENDIX C

Gerald Vandezande
Citizens for Public Justice

ADVISORY GROUP ON PERSONS WITH DISABILITIES

Frank I. Algar
Representative
Canadian Hard of Hearing Association

Harry Beatty
Barrister and Solicitor for
Advocacy Resource Centre for the Handicapped

Brian Davidson
Director of Social Policy
Canadian Mental Health Association, Ontario Division

Stan Delaney
Communications Consultant
Ontario Association for Community Living

Al Harris
Advisory Member

Susan Kitchener
Director of Communications and Government Relations
Ontario March of Dimes

Vera Malec
Executive Director
Views for the Visually Impaired

Mike McHenry
Representative
Hamilton Working Group on Income Adequacy

Cathy McPherson
Provincial Co-ordinator
Persons United for Self-Help, Ontario

Margaret Millar
Individual and Family Services Co-ordinator
Multiple Sclerosis Society of Canada, Ontario Division

Jim Nicol
Advisory Member

Angelo Nikias
President
Blind Organization of Ontario with Self-Help Tactics

Doug Owen
Chairman
The Council of Councils

Mary Richardson
Chairman of Client Committee
Ontario Federation for the Cerebral Palsied

Dick Santos
Co-ordinator
HELP (Handicapped Employment Locating Personnel)

Dan VanVugt
Community Access Worker
Disabled Persons Working Together

Kit Watts
Director of Metro Social Services
Canadian National Institute for the Blind

Appendix D

Hearings and Presentations

Hearing Dates

Cambridge, November 19, 1986
Hamilton, December 12, 1986, January 28, 1987
Kenora, October 27, 1986
Kingston, December 2, 1986
London, January 9, 1987, January 30, 1987
Ottawa, November 12 and 13, 1986
Owen Sound, January 7, 1987
Peterborough, October 29, 1986
Sault Ste. Marie, December 4, 1986
Sudbury, November 4, 1986
Thunder Bay, December 10, 1986
Timmins, November 20, 1986
Toronto, November 24, 26, and 27, 1986, January 19, 21, 22, and 23, 1987
Windsor, November 6, 1986

Presentations at Public Hearings

Written briefs were also submitted by most of these organizations/ people (see Appendix E).

October 27, 1986: Kenora

Darlene Archer
Donna Carlson
District of Rainy River Social Service Administration Board
Kim Hagarty
Kenora-Keewatin and District Labour Council
Kenora Legal Clinic
Northwestern Health Unit
Ojibway Tribal Family Services
Shingoos Métis Non-Status Indian Association
Sioux Lookout/Hudson Association for the Mentally Retarded
Thunder Bay Legal Clinic
Town of Kenora, Mayor Winkler
Town of Kenora, Councillor Harry Green
Women's Place

October 29, 1986: Peterborough

Association of Legal Clinics Steering Committee on Social Assistance Review
City of Peterborough
Cobourg and District Unemployed Help Centre
Friends of Schizophrenics, Peterborough Chapter
Jerrold Gemakas
James Hamilton
Richard Hamilton
Kenneth Hone
Kawartha Peoples Action Movement
Madeline Lavallee
Métis Association
Northumberland County Social Services
Ontario Public Service Employees Union (OPSEU)
People Against Poverty
People First of Madoc

Peterborough Social Planning Council
Renfrew County Legal Clinic
Rural Legal Services
Ruth Schaeffer
SHOTS Teaching Services
Social Services Committee
United Citizens Organization
West Food Bank, 219 Hunter Street

November 4, 1986: Sudbury

Association for Cerebral Palsy and Other Physical Handicaps
Irene Bonchard
Canadian Council of the Blind (Sudbury)
Canadian Union of Public Employees (CUPE), Local 207
Christian Horizons
Debbie Corbett
Crisis Housing Liaison
District of Sudbury Social Services Administration Board
Fournier Gardens Athletic Association
Rheal Huneault
Laurentian University, School of Social Work
Mayor's Task Force on Poverty, North Bay
Christine Mirault
Neighbourhood Action Project
Nipissing Legal Clinic
Pastoral Institute
Regional Municipality of Sudbury, Health and Social Services
Sudbury and District Labour Council
Sudbury Legal Clinic
Jocelyn Villeneuve
Women's Centre, Sudbury

November 6, 1986: Windsor

Adolescent Crisis Service
Rose Black
Downtown Mission of Windsor
Essex County Social Services Committee
Family and Friends of the Mentally Handicapped
Halton Hills Community Legal Clinic
Hiatus House
Kent Legal Assistance
Legal Assistance of Windsor
Sheila Natyshak
Unemployed-Employed Solidarity Group
Unemployed Help Centre
United Way
Windsor Association for the Mentally Retarded
Windsor Social Services
Windsor West Citizens Organization
Youth Employment Counselling Centre

November 12, 1987: Ottawa

Hakim Abassi
Anglican Diocese of Ottawa
Hasan Ayoub
Canadian Hearing Society of Ottawa and District Regional Office
Carlington Community Resource Centre
Centre 507
Centretown Community Health Centre
Christian Council of the Capital Area
Citizens Advisory Committee
Clinique Juridique Populaire de Prescott et Russell
Comité Inter-agence
Concerned Citizens of Gloucester
Dalhousie Food Centre
Entraide de Budgetaire
Good Beginnings
Jean Grant
International Women's Week
Thomas Lightfoot
Shannon Lee Mannion
Guy McCallum
Ontario Association of Professional Social Workers (OAPSW), Advocacy Committee, Eastern

Branch
Ottawa Centre Constituency Office
Ottawa Council for Low Income Support Services
Ottawa Handicapped Society
Pinecrest Queensway Community Services Centre, Crescendo Program
Regional Municipality of Ottawa-Carleton
Rehabilitation Institute of Ottawa
St. Joseph's Roman Catholic Church
William Sutter
Huguette Tries

November 13, 1987: Ottawa

Denis Boucher
Canadian Mental Health Association
Clinique Juridique Populaire de Prescott et Russell
Community Legal Services of Ottawa/Carleton
Council on Aging Ottawa/ Carleton
Dalhousie Health and Community Services
Wendy Desbrisay
Emergency Food and Clothing Centre for Centretown Churches
Family Focus in Arnprior
German Benevolent Society of Ottawa Inc.
Evelyn Gigantes, MPP
Sonia Kentje
Mark Maloney
Ann Morgan
Mothers Against Poverty
National Anti-Poverty Organization
Ontario Society for Autistic Citizens – Ottawa Chapter
Ottawa and District Labour Council
Ottawa Board of Education
Ottawa Care Option Ltd.
Ottawa/Carleton Immigrant Services Association
Ottawa Committee for Headstart/ Ottawa YM-YWCA
Renfrew County Legal Clinic
Richmond Terrace Tenants
Riverbank Tenants
Donna St. Germain
Nancy Smith
Social Planning Council of Ottawa/ Carleton
Southeast Ottawa Community Services
Union Mission for Men
West End Interfaith Social Action Group
West End Legal Services
Women for Justice
Jim Yaraskavitch

November 19, 1986: Cambridge

Shirley Biden
Brant County Social Services Committee
Cambridge Food Cooperative
Cambridge and District Association for the Mentally Retarded
Cambridge and District Unemployed Help Centre
Community Mental Health Clinic, Cambridge Memorial Hospital
Conestoga College, Focus for Change Program
Discovery Group
Family Service Bureau of South Waterloo
Food Bank of Waterloo Region
Halton Hills Community Legal Clinic
Hammering Out Poverty Everywhere (HOPE)
House of Friendship
Kitchener-Waterloo Action League for Physically Handicapped Adults
Kitchener-Waterloo District Association for the Mentally Retarded
Kitchener-Waterloo Red Cross Homemaker Service
Kitchener-Waterloo Refugee Housing Committee
Kitchener-Waterloo Services for the Physically Disabled
Ann Layland
Mothers Making Change

Multiple Sclerosis Society of Kitchener-Waterloo
Region of Waterloo Social Services
Regional Municipality of Waterloo, Health and Social Services Committee
St. John's Soup Kitchen, c/o Kitchener-Waterloo Working Centre for the Unemployed
Sir Wilfrid Laurier University, Faculty of Social Work
Social Planning Council of Kitchener-Waterloo
Waring Estates Retirement Home
Waterloo Region Community Legal Services
Waterloo Regional Council of Retirees
Waterloo Regional Labour Council
Mara Yirka
Young Women's Christian Association, Kitchener
Youth in Conflict with the Law

November 20, 1986: Timmins

Attawapiskat Band Council
Paul Brodeur
Canadian Mental Health Association, Timmins Branch
Cochrane-Temiskaming Resource Centre
Kapuskasing Action Centre and Area Council for the Disabled
Low Income People Involvement of Nipissing Inc. (LIPI)
Ontario Association of Professional Social Workers (OAPSW), Northeastern Branch
Ontario Municipal Social Services Association, Zone 10
Marcel Proul
St. Mary's General Hospital, Community Mental Health Services
St. Paul's United Church
Timmins Handicapped Residence Action Group Inc.

November 24, 1986: Toronto

Action Rehabilitation Group of Simcoe County
Canadian Association for Community Living
Canadian Hearing Society, Head Office
Erica Coaloser
Committee for Equal Access to Apartments
Muriel and Ed Czuber
Alan S. Davidson
Disabled Women's Network (DAWN)
Downsview Community Legal Services
Monica Doyle
East Mall/West Mall Action Group
Emily Stowe Shelter for Women
Marguerite Fodden
Bharat Goel
Harry Green
Humewood House
Jane/Finch Community Organizations
Donna Jones
Marina Historical Guild
Metropolitan Toronto Children's Aid Society
National Action Committee on the Status of Women
National Federation of Pakistani Canadians
North York Board of Education
North York Women's Shelter
Eli Palo
Parents Against Poverty
Parkinson Foundation
David Penner
Scarborough Community Legal Services
Single Parents on Assistance Movement (SPAM)
Social Action Committee of Opportunity for Advancement
South Etobicoke Social Assistance Work Group
Grace Williams

Mona Winberg

November 26, 1986:
Toronto

Blind Organization of Ontario with Self-Help Tactics (BOOST)
Felicia Brown
Child Poverty Action Group
Olivia Chow
Community Services and Housing Committee of Metro Toronto
Patricia Daenzer
Anne Hazi
Income Maintenance for the Handicapped Coordinating Group
Joseph Jensen
John Kellerman
Metro Toronto Association for the Mentally Retarded
Metro Toronto Committee Against Wife Assault
Mount Sinai Hospital, Department of Social Work
Ontario Association of Family Service Agencies
Ontario Association for the Mentally Retarded
Parents Too
Parkdale Community Legal Services
Persons United for Self Help (PUSH) Central
Persons United for Self Help (PUSH) Ontario
Residents of Warden Woods and Teesdale Communities
David Reville, MPP
Mrs. Smith
Social Planning Council of Metropolitan Toronto
Social Planning Council of Oshawa-Whitby
Stop 103
United Way of Greater Toronto
University of Toronto, Social Policy Action Group
Young Mothers' Resource Group
Young Mothers' Support Group, Bethany Home

November 27, 1986:
Toronto

Association of Municipalities of Ontario
Canadian Union of Public Employees (CUPE), Local 79
Citizens for Public Justice Ontario
City Adult Learning Centre
Coalition for a Public Transit Reduced Fare Program
Coalition on Employment Equity for Persons with Disabilities
Disability Action Committee
Rhoda Driver
East York Community Development Council
Family Service Association of Metropolitan Toronto
Flemingdon Legal Clinic
Food Share Metro Toronto
Friends of Schizophrenics, Metropolitan Toronto Chapter
Halton Hills Legal Clinic
Bernice Hodgins
Labour Council of Metropolitan Toronto
Vance Latchford
Metropolitan Toronto Day Care Advisory Committee
Mothers' Ideas of Social Fairness in Today's Society
October 18 Workshop Committee
Portuguese Inter-Agency Network
Lawrence Smith
Don Sneyd
Elizabeth Stimpson
Bob Warner
Welfare Rights Group
YWCA Social Action Committee
Richard Zorniak

December 2, 1986:
Kingston

Alternatives to Incarceration
Diane Bellam
Brockville and Area Centre for Developmentally Handicapped Persons

Brockville and Area Community Living Association
Canadian Mental Health Association, Kingston Branch
Canadian Hearing Society, Kingston and District
City of Kingston, Department of Social Services
Coalition on Poverty
Joan Colby
Council of the Disabled of Ottawa-Carleton
Dawn House Women's Shelter
Detoxification Centre of Hotel Dieu Hospital
Corey Dewitt
Elizabeth Fry Society, Kingston Chapter
Emergency Shelter Committee of the Supportive Housing Network of Kingston
Angeline Gonder
Terry Hamilton
Hastings and Prince Edward Counties Legal Services
Housing Opportunities for Persons Everywhere (HOPE)
Interagency Council for Children
John Howard Society, Kingston Chapter
Kingston and District Immigrant Services
Kingston Friendship Homes
Kingston, Frontenac and Lennox and Addington Health Unit, Home Care Program
Kingston Interval House
Kingston Social Services
Ministry of Community and Social Services, Belleville Staff
Multicultural Advisory Council
North Frontenac Association for the Mentally Handicapped
North Frontenac Community Services Corporation
North Kingston Community Development Project
Ongwanada
Ontario Friends of Schizophrenics, Kingston Chapter
Psychiatric Patient Advocate Offices
Queen's Theological College
Queen's University, Faculty of Law
Rural Legal Services, Sharbot Lake
St. Lawrence College, Affirmative Action
Supportive Housing Network of Kingston
Women in Crisis, Northumberland
Women's Training and Employment Program

December 4, 1986: Sault Ste. Marie

Algoma Child and Youth Services
Algoma Community Legal Clinic
Algoma District Mental Retardation Services
Algoma District Social and Family Services Board
Algoma Presbytery of the United Church of Canada
Blessed Sacrament Soup Kitchen
Community Interaction Association
Family Services Centre of Sault Ste. Marie and District
Sandra Fiddler
Winnifred Garside
Inter-Church Council of Blind River
Ken Brown Recovery Home
Mississauga Indian Band Council
Karl Morin-Strom, MPP
Richard Nolet
Ontario Association of Professional Social Workers, Sault Ste. Marie Branch
Ontario English Catholic Teachers Association, and Catholic Principals' Council
Ontario Friends of Schizophrenics, Sault Ste. Marie

Chapter
Sault Ste. Marie and District Women for Women
Sault Ste. Marie Alternative School Childcare Services
Sault Ste. Marie Anti-Poverty Coalition
Sault Ste. Marie Association for the Mentally Retarded
Sault Ste. Marie District Roman Catholic Separate School Board
Sault Ste. Marie Friendship Centre
Sault Ste. Marie Social Planning Council
Bud Wildman, MPP

December 10, 1986: Thunder Bay

Advisory Board Committee to City of Thunder Bay Social Services
Basic Job Readiness Training Programs
Canadian Hearing Society, Thunder Bay Region
Canadian Mental Health Association, Thunder Bay Branch
Community Services Committee Corporation of the City of Thunder Bay
Dew Drop Inn
Jim Foulds, MPP
Kinna Aweya Legal Clinic
Lakehead Social Planning Council
Northwestern Ontario Regional Day Care Committee
Northwestern Ontario Women's Decade Council, Sub-Committee
Ontario Friends of Schizophrenics, Thunder Bay Chapter
David Ramsay
Town of Geraldton, Social Services
Thunder Bay Health Coalition
Thunder Bay Indian Friendship Centre
United Steelworkers of America – Local 5055

December 12, 1986: Hamilton

Brad Allen
Gordon Askwith
Lewis Benvie
John Cerniuk
Community Legal Services of Niagara South
Community Resource and Action Centre
Dundurn Community Legal Services
Friends of Schizophrenics, Hamilton Chapter
Robert and Ethel Green
Halton Hills Community Legal Clinic
Hamilton District Labour Council
Ron Jenkins
Connie Karlsson
Marie King
Yvonne McMahon
McMaster University, Epidemiology Unit
Sharon Morgan
Phil Musgrave
Niagara North Community Legal Assistance
Ontario Association of Children's Aid Societies
Ontario Public Services Employees Union (OPSEU)
Parents Without Partners
Physically Handicapped Citizens Association – Halton North
Donna Grieveson Pirie
Prophetic Witness Committee
Regional Food and Shelter Assistance Advisory Committee
Regional Municipality of Hamilton-Wentworth
Regional Municipality of Niagara, Social Services Department
Social Planning and Research Council of Hamilton and District
Elizabeth Taunton
United Disabled Consumers
Edna Wheeler
Vlado Zosterak

January 7, 1987: Owen Sound

- Alliance Church
- Canadian Mental Health Association/ Grey-Bruce, Union Place
- Community Correctional Alternatives Committee II
- Concerned Citizens of Muskoka
- County of Bruce Social Services
- County of Grey/City of Owen Sound Family and Social Services
- Durham Region Group
- Grey-Bruce Community Health Corporation, Community Network Support Team
- Grey-Bruce Community Health Corporation, Grey-Bruce Community Mental Health Housing Project
- Grey-Bruce Regional Health Centre, Psychiatric Aftercare Department
- Grey County Residents
- Huronia Midland Ministerial Association
- Muskoka Family and Children's Services
- Ontario Association of Professional Social Workers (OAPSW), Grey-Bruce Branch
- Owen Sound and District Association for the Mentally Retarded
- Owen Sound Municipal Non-Profit Housing Corporation
- Participation Lodge
- Simcoe Legal Services Clinic
- Walkerton and District Association for the Mentally Retarded
- Westhill Secondary School
- Women's Centre, Owen Sound
- Women's House, Kincardine

January 9, 1987: London

- Adult Protective Service Association of Ontario
- Association to Improve Dignity for the Disabled
- Don Breen
- Canadian Union of Public Employees (CUPE), Ontario Division
- Cheyenne Community Action Team/East London Community Network
- Community Employment Council
- Disabled Alliance for Self-Help (DASH)
- Disabled Women Organizing and Taking Action
- East London United Church Outreach Organization (ELUCO)
- Franklin Drive Association
- Information London
- London Conference of the United Church of Canada
- London Legal Clinic
- London Union of Unemployed Workers
- Men's Mission and Rehabilitation Centre
- Neighbourhood Legal Services
- Office for Public Policy and Governmental Affairs, Evangelical Lutheran Church in Canada, Eastern Synod
- Operation Sharing/A Meeting Place Response
- St. Mary's and District Association for the Mentally Retarded
- Service Coordination Group
- Southwest and Toronto Social Assistance Study Group
- Sharon Styles
- Tara Hall Residence
- Unemployment Services Coordinating Committee of London
- United Way of Greater London
- University of Western Ontario, King's College
- Women Today
- Youth Opportunities Unlimited

January 19, 1987: Toronto

- Business Council on National Issues

Dr. Sam C.
Catholic Charities of the Archdiocese of Toronto
Catholic Children's Aid Society of Metropolitan Toronto
Catholic Immigration Bureau
Committee of Progressive Electors
Nora Cussion
Art Eggleton, Mayor, City of Toronto
Emmy Davies
Martin Graham
Barbara Hall, Alderman
Valerie Hamilton
Hune Henderson
Mental Health Program Placement Service
Mind Sharing Co-Op Group (COTA)
Mary Mohammed
Office of Child and Family Service Advocacy
Ontario Coalition for Better Day Care
Ontario Council of Agencies Serving Immigrants
Alfred Peterson
Louise Smichoski
Supportive Housing Coalition of Metropolitan Toronto
Fred Weeks
Women Plan Toronto

January 21, 1987: Toronto

Canadian Cystic Fibrosis Foundation
Canadian Foundation for Children and the Law
Canadian Pensioners Concerned, Ontario Division
Candida Research and Information Foundation
Community and Personal Rights Organization (CAPRO)
Coordinating Committee of Ontario Conferences of the United Church of Canada
Council of Elizabeth Fry Societies of Ontario
Daily Bread Food Bank
Nick Disalle
Hillside House
Holland Christian Homes
Homes First Society
Kathleen Lawrence
Jack Layton
Ann Lever
Bob Luker
North York Interagency and Community Council
Ontario Association of Interval and Transition Houses
Ontario Friends of Schizophrenics
Remedial Reading Centre
Rexdale Planning
Riverdale Response
St. Stephen's Community House
Survival through Friendship House
Toronto Association of Neighbourhood Services (Woodgreen Community Centre, Dixon Hall, Central Neighbourhood House, St. Christopher's House, St. Stephen's Community House)
Toronto Jewish Congress
Tropicana Community Services
Villaway Community
Women of Dignity
Yellow Brick House
Youth Advisory Committee of Justice for Children

January 22, 1987: Toronto

Bathurst Heights Secondary School
Bloor Information and Legal Services
Canadian Life and Health Insurance Association (CLHIA)
Centre for Spanish-Speaking Peoples
Christian Horizons
Common Ground Women's Centre
Communist Party of Canada (Metropolitan Toronto and Ontario Committees)
519 Church Street Community Centre

Patti Galbraith
Houselink Community Homes
Jessie's Centre for Teenagers
Mississauga Legal Services
Native Women's Resource Centre
Nellie's Shelter for Women
Ontario Association of Professional Social Workers (OAPSW), Metropolitan Toronto Branch
Ontario Chamber of Commerce
Ontario March of Dimes
Ontario Medical Association
Ontario Public Health Association
Andreas Preizler
Oudit Raghubir
Scott Mission
Sistering Drop-In Centre for Women
South Etobicoke Community Legal Services
United Church of Canada, Toronto South Presbytery, Mission in Canada
Vocational Rehabilitation Task Force
West Hill Community Services
Women's Legal Education and Action Fund (LEAF)

January 23, 1987: Toronto

Employment Opportunity Programs for Sole Support Parents
Lakeshore Social Issues Group
Ontario Municipal Social Services Association
Ontario New Democratic Party (Presenters: Evelyn Gigantes, MPP; Richard Johnston, MPP; Floyd Laughren, MPP; Bob Mackenzie, MPP; David Reville, MPP)
People Priorities Group
Reena Foundation
Elaine Williams

January 28, 1987: Hamilton

Advocacy Group for the Environmentally Sensitive
Association of Community Information Centres in Ontario
Canadian Council of the Blind, Ontario Division
Community Living Mississauga
Constituency Office of Bob Mackenzie, MPP
Families in Social Transition (FIST)
Cathy Foote
Friendship Drop-In Centre
Carolyn Gaylord
Hamilton and District Chamber of Commerce
Hamilton-Wentworth District Health Council
Dorothy Hubert
Interfaith Development Education Association (IDEA)
Alan and Elsie Kingsland
Terry McCain
McMaster University, Department of Geography
Jean McMullin
Jackie Munro
Ontario Public Services Employee Union (OPSEU)
Wallace J. Parsons
Path Employment Services
Sandy Pope
Regional Municipality of Peel
Single Mothers Against Poverty
Welcome Inn Low Income Group
Women of Hamilton Acting Together (WHAT)

January 30, 1987: London

Doris Allan
Canadian Hearing Society, London and District Regional Office
City of London Municipal Council
City of Sarnia, Community Family Services
Robert and Maureen Cudmore
London Unemployed Help Centre

HEARINGS AND PRESENTATIONS

Marshall Resources Ontario Ltd.
Ontario Conference of Catholic Bishops
Our Special Children
People First of St. Mary's
Persons United for Self-Help for the Southwestern Region
Kim Reavely
St. Thomas Unemployed Help Centre
Andy Smith
University of Western Ontario, Faculty of Part-Time and Continuing Education, Translation and Interpretation Committee
Linda Whitlock
Women's Community House

Appendix E

Written Submissions

These documents may be consulted by contacting:

Income Maintenance Branch
Ministry of Community and Social Services
Third Floor, Hepburn Block
Queen's Park, Toronto
M7A 1E9

Another 500 submissions, which were made in confidence, are not listed below.

Acton Social Services and Information Centre
Advocacy Group for the Environmentally Sensitive
Advocacy Group of Cornwall
Algoma Steel Corporation Joint Industrial Adjustment
Anglican Social Services/ Centre 454
Assaulted Women's Helpline, Toronto
Associated Services of St. Catharines
Association of Community Service Centre Boards
Association of Directors of Social Work
Avoca Foundation
Bernadette McCann House for Women
Brahms Resident Committee
County of Brant
Brant District Health Council
City of Brockville Social Services
Brockville Psychiatric Hospital
Bruce County Family Resource Centre
Canadian Cancer Society, Carleton District
Canadian Cancer Society, Ontario Division
Canadian Cystic Fibrosis Foundation
Canadian Federation of Independent Business
Canadian Hearing Society, London
Canadian Manufacturers' Association, Ontario Division
Canadian Mental Health Association, Kirkland Lake
Canadian Mental Health Association, North Bay
Canadian Mental Health Association, Waterloo Region
Canadian National Institute for the Blind, Social Services Department
Canadian Paraplegic Association, Ontario Division
Canadian Red Cross Society
Canadian Religious Conference – Ontario
Canadian Schizophrenia Foundation, Windsor Branch
Carleton University – School of Social Work
Catholic Family Services of Ottawa
Catholic Family Services of Toronto

WRITTEN SUBMISSIONS

Catholic Women's League of Canada, Ontario Provincial Council
Catholic Women's League of Canada, Peterborough
Catulpa Tamarac Inc.
Central Huron Community Living
Centre for Independent Living in Toronto
Chedoke-McMaster Hospital, Social Work Department
Children's Aid Society of Algoma
Children's Aid Society of Metropolitan Toronto
Children's Mental Health Centre, Sudbury
Children's Services Council Research and Planning Committee, Windsor
Christian Horizons – Waterloo SIL
Cityhome
Clarke Institute of Psychiatry
Cleanwear Products
Clinique Juridique Stormont, Dundas and Glengarry
Clinique Juridique Populaire de Prescott et Russell
Club 84 Mental Health/ Sault Ste. Marie
Cochrane Timiskaming Resource Centre
Committee on the Bishops' Economic Statements, Ottawa
Committee on Community, Race and Ethnic Relations, North York
Community Homes of Southwestern Ontario
Community Information Centre and Volunteer Bureau
Community Legal Services of Niagara South Inc.
Community Mental Health Clinic, Guelph Office
Community Occupational Therapy Associates
Contact Information Centre, Midland
Corporation of the Town of Latchford
COSTI-IIAS Immigrant Services
Council of Councils
Council of Elizabeth Fry Societies
Council for Franco-Ontarian Affairs
Counselling Services of Belleville
Craigwood Youth Services
Davidson and Associates
Downsview Services to Seniors
Downsview Weston Action Committee – York University
Township of Dummer
Dundurn Community Legal Services
Durham Community Legal Clinic
Regional Municipality of Durham
Municipality of Dysart et al.
Early Childhood Education, Ontario – Ottawa Valley Branch
East Area Mental Health Coalition of Toronto
East Ontario Integrative Services Inc.
Easter Seal Society
Employment and Immigration Canada Toronto District
Equity in Adult Learning Coalition
Etobicoke Residents' Multicultural Association
Etobicoke Social Development Council
Family and Children's Services – Guelph and Wellington County
Family and Children's Services of the Niagara Region
Family and Children's Services of the Waterloo Region
Family Services Association of Metropolitan Toronto
Fare Share
Federation of Women Teachers' Association of Ontario
First Baptist Church, New Liskeard
The Freeport Hospital

Friends and Advocates Centre, Etobicoke
Friends of Schizophrenics – Mississauga
Friends of Schizophrenics – Ontario
Friends of Schizophrenics – Ottawa-Carleton
Friends of Shopping Bag Ladies
Fundamental Research Institute
Gage Transitional Living Centre Community Services
David Gaspar, MD
General Hospital, Sault Ste. Marie
George Brown College
Glen Gies
Township of Gratton
Greek Orthodox Family Services
Guelph Citizens for Public Justice
Township of Haileybury
Haldimand-Norfolk Regional Health Department – Nutrition Division
Bruce Halliday, MP, Oxford
Halton Regional Municipality Social Services
Halton Support Services
Hamilton and District Ostomy Association Inc.
Hamilton Civic Hospital
Hamilton/Wentworth Roman Catholic Separate School Board
Hastings and Prince Edward Counties Health Unit
Hastings County Council
County of Hastings – Social Services
Head Injury Association of Canada – Durham Region Chapter
Hill Crest Rest Home, Reglo Ltd.
Home Care Program for Metropolitan Toronto
Homeward Family Shelter
Horizon House – Algoma
Hospital for Sick Children
Hotel Dieu Hospital, Kingston – Child Development Centre
House Rights, Toronto
Housing Action Committee – London
Humanist Party of Ontario
Indian Friendship Centre
Interagency Job Placement Personnel Committee
Interval House
John Howard Society Community Aftercare – Kitchener
John Howard Society – Oshawa
John Howard Society – St. Catharines
Kellogg Salada Canada Inc. – Human Resources
Kidney Foundation of Canada – Ontario Branch
Kidney Foundation, Toronto Chapter
Kingston Psychiatric Hospital
Kinsmen Community Residence, Cornwall
K-W Counselling Services, Kitchener
Lakehead Psychiatric Hospital
Lakeshore Area Multi-Services Project
Lambton Health Unit
Lanark County Interval House
Lanark County Social Services
Land O'Lakes Community Services
Laurentian Hospital
Leeds and Grenville Interval House
County of Lennox and Addington
London and Middlesex Association for Children and Adults with Learning Disabilities
London Cross Cultural Learner Centre
London – Department of Social Services
London Union of Unemployed Workers
Township of Loughborough
Madame Vanier Children's Services
Malton Community

Council
McLeod Residence
Clifford McRae
Dorothy McWilliams
Marjorie Meister
Memorial United Church, St. Catharines
Michael Mendelson
Metropolitan Toronto District Health Council
Metropolitan Toronto Police
Metro Tenants Legal Services
County of Middlesex Social Services
Ministry of the Attorney General
Ministry of Health
Ministry of Housing
Ministry of Industry, Trade and Technology
Daphne and Peter Monks
More Than Child's Play
Karl Morin-Strom, MPP, Sault Ste. Marie
Multicultural Health Coalition
Multiple Sclerosis Society of Canada
Muskoka Interval House
Muskoka Women's Advocacy
National Automobile, Aerospace and Agricultural Implement Workers Union of Canada (CAW-Canada)
Municipality of Neebing
Newmarket and District Association for Community Living
Niagara Child Development Centre
Niagara South Headmasters Association
North Cochrane District Family Services
North Kingston Community Development Project
Northeast Neighbourhoods Centre Community Development
Northern Ontario Landlords' Association Kapuskasing District
North York Board of Education – Adult Education Support Program
North York Emergency Needs Network
Oak Centre – Welland County General Hospital
Ombudsman – Ontario, Daniel G. Hill
Ontario Advisory Council on Senior Citizens
Ontario Association for Children and Adults with Learning Disabilities
Ontario Association for Marriage and Family Therapy
Ontario Association of Professional Social Workers
Ontario Coalition for Better Day Care
Ontario Federation of Labour
Ontario Health Coalition
Ontario Métis and Non-Status Indian Association
Ontario Municipal Social Services Association Zone 2
Ontario Municipal Social Services Association Zone 8
Ontario Native Welfare Administrators Association
Ontario Public Sector Employees Union – Local 133
Ontario Rehabilitation and Work Council
Ontario Social Development Council
Ontario Society for Autistic Citizens
Ontario Society of Public Health Dentists
Oshawa Senior Citizens Centre
Ottawa and District Post Polio Association
Ottawa-Carleton Regional Housing Authority
Ottawa Emergency Service Providers Centre 507
Ottawa Handicapped Association
Regional Municipality of Ottawa-Carleton, Office

of the Commissioner of Social Services
Parkdale Community Legal Services Inc.
Parry Sound – Family Resource Centre
Participation Lodge, Owen Sound
Pastoral Counselling Centre, Hamilton
PATH Employment Services
Peel Non-Profit Housing Corporation
Regional Municipality of Peel
Penetanguishene Mental Health Centre
People First of Cornwall
County of Perth
City of Peterborough
Planned Parenthood in Ontario
Plummer Memorial Public Hospital, Department of Social Work
Polish Social Services Bureau
Jim Pollock, MPP, Hastings-Peterborough
Polysar Limited
Porcupine Health Unit
Portuguese Interagency Network Committee
Private Home Day Care Association of Ontario
Providence Villa and Hospital
Psychiatric Community Association of Timmins
Queen Elizabeth Hospital
Queen St. Mental Health Centre, Assessment Referral Unit
Queen's University, Department of Geography
Rainy River Playschool Inc.
District of Rainy River Social Services Board
David Ramsay, MPP, Timiskaming
Realco Property Limited
Relatives and Friends of Schizophrenics, Clarke Institute of Psychiatry
Retail Council of Canada
The Robarts School, London
The Royal Bank of Canada
St. Joseph's Hospital
St. Lawrence College – President's Office
St. Lawrence College – St. Laurent
St. Margaret's in the Pines
St. Mary's of the Lake Hospital, Discharge Planning Department
St. Matthew's House
St. Michael's Hospital, Social Work Department
St. Vincent de Paul House
The Salvation Army
Sandy Hill Health Centre
Sarnia/Lambton Centre for Children and Youth
Sault Ste. Marie Social Services and Family Services
Scarborough Centre for Alternative Studies
Scarborough Day Care Committee
Scarborough Legal Services
Improvement District of Shedden
Shepherds of Good Hope
Howard Sheppard, MPP, Northumberland
Sioux Lookout-Hudson Association for the Mentally Retarded
Sioux Lookout Legal Clinic
Sir Wilfrid Laurier University, Faculty of Social Work
Sir William Osler Vocational School
Social Planning Council of Kingston and District
Social Planning Council of Metropolitan Toronto
Social Planning Council of Niagara Falls
Social Planning and Research Council of Hamilton and District
Social Planning and Research Council of Hamilton/Wentworth
Social Planning and Research Council of St. Catharines and Thorold
Society of St. Vincent de Paul, Toronto Central Council
South Riverdale Commu-

nity Health Centre
Southwest and Toronto Legal Clinics
Stormont, Dundas, Glengarry, Prescott, and Russell Residential Committees
Stratford Family Counselling
Street Haven
Sudbury and District Association for Cerebral Palsy Physical Handicaps
Sunbeam Residential Development Centre
The Sun Centre
Supported Independent Living Program, Dryden
Tara Hall Residence
Timiskaming Health Unit
Toronto General Hospital, Department of Social Work
Toronto Transit Commission
United Steelworkers of America, District 6
United Steelworkers Retirees, Sault Ste. Marie
United Way – Brantford
United Ways of Ontario
University Women's Club – North York
Victoria Avenue United Church
Jim Ward Associates
Waterloo Region Legal Services
Waterloo Region Social Resources Council
Waterloo Region Supportive Housing Coalition, Finance/Employment Task Force
West Lincoln and District Association for the Mentally Retarded Inc.
Women in Crisis
Women in Niagara
Women Plan Toronto
Women's College Hospital, Social Work Department
Women's Interval Home of Sarnia-Lambton Incorporated
Women's Training and Employment Program
York Central Association for the Mentally Retarded
Yorkdale Secondary School
York Support Services Network
Young Women's Christian Association – Scarborough
Young Women's Christian Association – Toronto
Youth Advisory Committee of Justice for Children

Appendix F

Consultations

In the course of its work, the committee engaged in a number of consultations with specific groups or on issues of special concern. These consultations included symposiums assembled by the committee, and separate sessions with social assistance staff from across the province and at both levels of government. Other meetings took place in response to special requests from organizations to be heard on one or more issues.

SYMPOSIUMS

Symposium on Social Assistance
(Toronto, August 14, 15, 1986)

Glen Drover, Dean of Social Work, University of British Columbia
Pat Evans, Professor, Faculty of Social Work, York University
Ernie Lightman, Professor, Faculty of Social Work, University of Toronto
Michael Mendleson, Deputy Minister, Manitoba Social Services
Marvin Novick, Dean of Community Services, Ryerson School of Social Work
David Szwarc, Welfare Administrator, Halton Region
Richard Wietfeldt, Director of Research, Canadian Federation of Independent Business

Symposium on the Future of Canadian Society and the Implications for Social Assistance
(Toronto, February 21, 1987)

Edward Carmichael, Vice President, C.D. Howe Institute
Deborah Coyne, Assistant Professor, Faculty of Law, University of Toronto
Chaviva Hosek, Past President, National Action Committee on the Status of Women; Former Research Partner, Gordon Capital Corporation
Judith Maxwell, Chair, Economic Council of Canada
Michael McCracken, President, Informetrica

Stuart Smith, Chair, Science Council of Canada
Monica Townson, Economic Consultant, Monica Townson Associates

Symposium on Youth
(Toronto, June 5, 1987)
Cynthia Adams, Ministry of Education
Ken Dryden, former Ontario Youth Commissioner
Bill Dwyer, Caseworker, Metro Toronto Social Services Division
Doris Guyatt, Policy Analyst, Ministry of Community and Social Services
Robert Land, Director General, Programs and Policy, Canadian Job Strategy, Canada Employment and Immigration Commission
Grant Lowery, Executive Director, Central Toronto Youth Services

Symposium on Housing
(Toronto, June 26, 1987)
John Bassel, President, Arcadia Group; Co-Chair, Fair Rental Policy Organization
Bill Bosworth, Executive Director, Homes First Society
Noreen Dunphy, Provincial Relations Co-ordinator, Co-operative Housing Association of Ontario
Deirdre Gibson, President, Gibson and Associates Limited
Peter Lepik, Acting Director, Social Housing Policy, Ministry of Housing
Keith Ward, Director of Policy and Development, Region of Peel Housing Department

MEETINGS WITH SOCIAL ASSISTANCE STAFF

Central Region

MCSS
Collingwood Local Office
Mississauga Area Office
Toronto Area Office
Toronto Regional Office
Barrie Area Office

Municipal
Municipality of Metro Toronto, Social Services Division Area Offices, A, B, C, D, F, H, J, Q, R
Halton Social Services
County of Simcoe Social Services

APPENDIX F

Southwest Region

MCSS
Hamilton Direct Services Office
Hamilton Area Office
London Area Office
Niagara Falls Local Office
Owen Sound Local Office
Sarnia Local Office
South West Regional Office
St. Catharines Local Office
St. Thomas Local Office
Stratford Local Office
Waterloo Area Office
Waterloo Regional Office
Windsor Area Office

Municipal
Bruce County Social Services
Grey County Social Services
London Social Services
Waterloo Regional Municipality
Windsor Department of Social Services
Brant County Social Services

Southeast Region

MCSS
Brockville Local Office
Kingston Regional Office
Kingston Area Office
Ottawa Area Office
Peterborough Area Office
Hawkesbury Local Office

Municipal
Kingston Social Services
Township of Dummer, Warsaw
Brockville Social Services

North Region

MCSS
Keewatin Local Office
North Bay District Office
Sault Ste. Marie District Office
Sault Ste. Marie Northern Regional Office
Sudbury Local Office
Thunder Bay District Office
Timmins District Office
Kirkland Lake Local Office

Municipal
Sudbury Department of Social Services
Thunder Bay Department of Social Services
Timmins Department of Social Services

ADDITIONAL CONSULTATIONS

Association of Municipalities of Ontario (AMO) (Toronto, March 26, 1987)
- AMO Annual Convention Workshop on Workfare (Toronto, August 26, 1986)

Canadian Auto Workers (CAW) (Toronto, March 27, 1987)
Christian Resource Centre Self Help House (Toronto, September 18, 1986)
Emergency Shelter Assistance Program (Toronto, January 23, 1987)
Employment Opportunity Program (EOP) Evaluation (Toronto, September 18, 1987)
Homes First Society – 90 Shuter Street project (Toronto, September 18, 1986)
Ministry of Skills Development (Toronto, September 17, 1987)
Ontario Federation of Labour (OFL) (Toronto, March 27, 1987)
Ontario Legal Aid Clinics Steering Committee (Toronto, October 24, 1986)
Ontario Municipal Social Services Association (OMSSA) (Toronto, April 30, 1987)
- OMSSA Zone Meetings and Annual Convention (Ottawa, June 7-10, 1987)

Ontario Native Welfare Administrators Association (ONWAA) (Toronto, August 8, 1986)
Ontario Public Service Employees Union (OPSEU) (Toronto, March 25, 1987)
Opportunity for Advancement (The Poverty Game) (Toronto, April 29, 1987)
Planning and Priorities Committee of the Chiefs of Ontario (Toronto, November 10, 1987)
Salvation Army (Toronto, March 27, 1987)
Services for Disabled Persons Branch, MCSS (Toronto, March 27, 1987)
Social Assistance Review Board and Staff (Toronto, February 20, 1987)

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Southwest and Toronto Legal Clinics (Toronto, September 18, 1987)
Street Haven at the Cross Roads (Toronto, September 18, 1986)
United Steelworkers of America (USWA) (Toronto, March 27, 1987)
United Ways of Ontario (Toronto, March 25, 1987)
Welfare Rights Group (Toronto, March 25, 1987)
Woodgreen Red Door Family Shelter (Toronto, September 19, 1986)

Appendix G

Background Papers

These documents may be consulted by contacting:

Income Maintenance Branch
Ministry of Community and Social Services
Third Floor, Hepburn Block
Queen's Park, Toronto
M7A 1E9

Research Reports

These reports were commissioned by the Social Assistance Review Committee and prepared by external consultants or staff.

Erika Abner, "Equality Rights in the Context of Distributive Legislation," May 1987

Ralph Agard, "Access to the Social Assistance Service Delivery Systems by Various Ethno-Cultural Groups," July 1987

Harry Beatty, "Discretionary Decision-Making, Equity, and Social Assistance," May 1987

Burt Perrin Associates, "A Review of Training and Educational Programs for Social Assistance Recipients Entering the Labour Force," March 1987

Des Byrne, "Canada Assistance Plan (CAP)," February 1987

Mary Louise Dickson, "Treatment of Assets and Estates Under Social Assistance," April 1987

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Patricia M. Evans, "A Decade of Change: The FBA caseload, 1975-1986," June 1987

C.A. Gorlick, "Social Assistance and Student Aid: Who Is Responsible?," August 1987

Anne Marie Gutierrez, "An Act to Provide for Freedom of Information and the Protection of Individual Privacy," October 1987

Anne Marie Gutierrez, "The Interaction of Criminal Law and the Income Maintenance System in Ontario," May 1987

Michele Harding, "The Relationship Between Economic Status and Health Status and Opportunities," March 1987

Mary L. Hogan, "Immigrants and Social Assistance," May 1986

Colin Hughes, "Policy Issues in the Provision of Income Maintenance Allowances for the Support of Foster Children," April 1987

Allan Irving, "From No Poor Law to the Social Assistance Review: A History of Social Assistance in Ontario, 1791-1987," July 1987

Joanne Leatch, "Procedural Fairness in the Social Assistance System," August 1987

Ernie Lightman, "Work Incentives and Disincentives in Ontario," February 1987

Leon Muszynski, "Alternatives to Welfare," March 1987

Barry D. Napier, "Advocacy in Ontario's Social Assistance System," May 1987

Judy Parrack, "The Interrelationship Between Social Assistance and Family Law," April 1987

Peat Marwick and Partners, "Welfare Fraud and Overpayment," September 1987

Tony Pigott, "Preparing for Change: A Public Communication Plan to Coincide with Changes to the Ontario Social Assistance System," November 1987

Brian Raychaba, "A Report on the Special Needs of Youth In/From the Care of the

Child Welfare System," March 1987

David Ross, "Benefit Adequacy in Ontario," March 1987

Heather Ross, "First Nations Self-Government," September 1987

SPR Associates Inc., "Housing and the Poor," May 1987

John Stapleton, "Future Directions for Categorical Eligibility," March 1987

Sandra Wain, "The Impact of the Charter of Rights on Social Assistance," May 1987

Discussion Papers

These papers were working documents prepared to assist the committee on specific issues as they arose during our research.

Pauline Carter/OMSSA, "A Report on Child Care Services in Ontario," May 1987

Melanie Hess, "Education and Skill Requirements for Future Employment," April 1987

Melanie Hess, "Food Banks: Their Development and Use by Social Assistance Recipients," April 1987

Melanie Hess, "An Overview of Poverty in Ontario," June 1987 (revised March 1988)

Melanie Hess, "Public Attitudes Toward Work," April 1987

Melanie Hess, "Technological Change: Its Meaning and Impact on Employment," April 1987

Melanie Hess, "Traditional Workfare: Pros and Cons," April 1987

Melanie Hess, "Trends in Population and Family Composition," April 1987

Melanie Hess, "Unemployment: Its Impact on Individual Well-Being," April 1987

Melanie Hess, "Women: Labour Force Participation and Its Implications," April 1987

APPENDIX G

Melanie Hess, "The Working Poor: Their Dilemma and Assistance Through Provincial Income Supplementation Programs," April 1987

Patrick Johnston, "Guaranteed Annual Income in Theory and in Practice," April 1987

John Stapleton, "The Process of Establishing Disability Under Social Assistance in Ontario," April 1987

Terese Weisberg, "Vocational Rehabilitation Services and the Social Assistance System: An Examination of the Interface," August 1987

Advisory Group Reports

These reports were submitted by some of the groups listed in Appendix C.

Multicultural Advisory Group, "Report on Multiculturalism and Social Assistance," August 1987

Advisory Group on Persons with Disabilities, "Report...to the Social Assistance Review Committee," June 1987

Advisory Group of Sole-Support Parents, "Report...to the Social Assistance Review Committee," June 1987

Appendix H

Issues Most Often Raised

The committee analysed the written submissions it received and tallied the number of times that the following issues of concern were mentioned.

Adequacy of benefits	648
Staff workload and attitude	515
Work incentives	476
Disability issues	336
Information and accessibility	248
Delivery structure	246
Supported housing	240
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Financial testing	201
Federal system	197
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Allowances and complexity	162
Special items	155
Rights	140
Definition of the benefit unit	134
Sole-support parents	131
Multicultural communities	117
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Counselling	110
Social Assistance Review Board	106
Maintenance and support, court-awarded	104
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Work and welfare	93
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In-kind benefits and services	80
Categorical eligibility	64
Direct payment	62
Staff/administration relations	38
Technology	22
Indian clients	16
Cost of social assistance	8
District Welfare Administration Boards	5

Appendix I

Recommendations

Chapter 4
THE BENEFIT STRUCTURE

1. The Family Benefits Act and the General Welfare Assistance Act should be merged into one piece of legislation, with one benefit structure that covers all social assistance recipients.

2. Applicants 18 to 20 years old who are living in their family homes and are in need should be eligible for social assistance in their own right.

3. Applicants 16 and 17 years old who are living on their own should be eligible for social assistance, subject to a special approach to opportunity planning.

4. Refugee claimants in need should be considered eligible for social assistance without regard to their immigration status.

5. The federal government should be urged to issue work permits to refugee claimants while the validity of their claims is being established.

6. With the new procedures envisioned by Bill C-55 in place, claimants should be eligible for social assistance on the basis of need, pending the first level of adjudication. If the matter then moves on to the second level of adjudication, eligibility should continue until a final determination has been made.

7. A child's failure to attend school should not be considered grounds for ineligibility.

8. With the possible exception of those involved in labour disputes, no resident of Ontario should be automatically ineligible for social assistance. Applications should be assessed on the basis of need alone.

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9. In the short to medium term, the number of social assistance categories should be reduced to three:

- handicapped persons;
- people in need who must respond to an offer of opportunity planning;
- people in need who are encouraged but not required to respond to an offer of opportunity planning.

10. A new definition – "handicapped person" – should replace the current definitions of permanent unemployability and disability. The new definition should endorse the concept that a handicapped person is one who is handicapped as a result of an impairment and a disability (as defined by the World Health Organization) for a prolonged period of time.

11. The Ministry of Community and Social Services should draft general standards and guidelines for the new definition, in consultation with the Ontario Medical Association and others.

12. The category of temporary unemployability for medical reasons should be eliminated.

13. The definitions of disability (or handicap) within social assistance and Vocational Rehabilitation Services should be the same.

14. To further promote congruence between the two systems, the second-residence benefit should be made available to all disabled recipients of social assistance in the same way that it is available to VRS participants.

15. The minimum age of eligibility for social assistance as a disabled person should be lowered to age 16.

16. The foster parents' benefit should continue as an established family support program. The objectives and criteria for the program should be clearly established within legislation.

17. Special measures to monitor the care of children for whom foster benefits are paid are unnecessary. However, the government should take such steps as are necessary to ensure CAS involvement where serious concern exists about the care a child is receiving.

18. Foster care rates paid by the child welfare system should remain at higher levels to reflect the unique standards of care within that system. Social assistance rates and foster parents' benefits should be uniform and adequate. The present disparity in rates should be maintained until adequacy is reached, in order to maintain the role of the benefit as a family support measure.

19. The foster parents' benefit should be removed from social assistance legislation and authorized through child-based legislation such as the Child and Family Services Act.

20. The Special Services at Home program and the Handicapped Children's Benefit program should be integrated under the Child and Family Services Act, and the new program should be delivered as one program. The new program should be available to all handicapped children. The Ministry of Community and Social Services should proceed quickly to effect the integration of the two programs.

21. The Family Law Act definitions of "spouse" and "parent" should be used in determining the social assistance benefit unit.

22. A couple should receive the same benefits as two individuals.

23. In a one-adult family, the first child should receive the same benefit as the second adult in a two-adult family.

24. The rate structure for children should assign the same level of benefit to all children in a two-adult family and to all children but the first in a one-adult family, with further distinctions to be based only upon the children's ages.

25. Either spouse should have the option to be the applicant, according to the family's free choice. If the parties are unable to agree, the benefits should be evenly split between them.

26. Mothers under age 17 and disabled persons aged 16 and 17 who remain at home should be treated as individual applicants.

27. If any benefit other than child support accrues to a child and is then set aside for the child's future needs, this money should not be treated as income to the family.

28. Financial testing should be liberalized to promote transition to stability and autonomy.

29. Needs testing should be retained as the principal method of financial testing. Efforts should be made to simplify the needs test and the application process.

30. Asset limitations should be immediately equalized for all recipients at the highest levels currently permitted. Negotiations should take place with the federal government regarding the subsequent raising of asset ceilings. An immediate increase should be granted in the allowable limits for everyone, by at least the amount of inflation since the last increase in 1981 (that is, a 50% increase as of 1988), subject to CAP approval.

31. A grace period of at least six months should be established within which those involved in opportunity planning should not be required to dispose of small business, farming, family, or other defined assets.

32. A flexible approach should be taken in defining a liquid asset. The current vague and variable treatment of assets should be replaced with a clear, available, and consistent set of rules.

33. Guidelines should be established to enable all recipients to save for needed assets beyond the asset limitation.

34. With the help of multicultural and Native communities, a set of guidelines and procedures should be developed for dealing with culturally important assets.

35. A second property owned by an applicant should not be grounds for automatic ineligibility, but should be treated as a liquid asset if in fact it can be sold and the proceeds received.

36. The rule relating to the disposal of assets for inadequate consideration should be amended to apply to transactions within a one-year period prior to the application for social assistance.

37. Small and moderate estates should be exempted from consideration as liquid assets, if the estate monies are used in accordance with an approved plan. Approval should be given to plans that use the estate to meet special health, social, or educational needs.

38. A clear, understandable, and available framework should be established for the treatment of income that explains and justifies four different approaches, depending upon the nature of the income and the reasons for its payment:

- unearned income: fully exempted
- unearned income: partially exempted
- unearned income: charged in full
- earned income (discussed in Chapter 6)

39. In the short term, clear rules should be developed exempting reasonable assistance from relatives and friends if this assistance meets needs not met by the present allowance.

40. When a person receives benefits from an earnings replacement program such as workers' compensation while benefiting from social assistance earnings exemptions, the treatment of the earnings replacement income should parallel the treatment of earnings.

41. Clear policy should be established as to when resources are deemed to be available to a recipient.

42. Steps should be taken by the federal government either to enforce sponsorship agreements, or to ensure that they are enforced by the province, or to make them enforceable by sponsored individuals.

43. Sponsorship agreements should be reduced in length, preferably to five years or up to the date of citizenship, whichever is earlier.

44. Social assistance should be available to sponsored immigrants, on the basis of need.

45. Sponsored immigrants receiving social assistance should be asked to seek support to which they are entitled under family law. If a sponsored immigrant does not wish to do so personally, the government should exercise its right to seek support.

46. Clear rules should be established in regard to support obligations and the circumstances under which they should be enforced.

47. The treatment of farm income by the social assistance system should be rationalized by setting a farm income policy that allows farmers to stabilize their operations and explore other opportunities while maintaining eligibility for assistance.

48. The market basket approach should be used as the measure of adequacy for all items except shelter. Such an approach should incorporate reference to expert opinion and actual expenditure patterns.

49. The rate-setting process should be established in legislation, along with a requirement for legislative review of proposed changes. The legislation should require, at a minimum, yearly indexation of rates on the basis of the CPI. The statute should require a review of the market basket definition and existing rates every five years by an external committee that reports to a standing committee of the legislature.

50. The existing varying reimbursement "zones" should be abolished and actual shelter costs should be paid up to a ceiling. Shelter costs should include the full cost of hydro and fuel, and when the actual cost of home heating fuel or hydro exceeds the ceiling, these costs should continue to be reimbursed at 100%.

51. The actual average cost of shelter should be established as the shelter reimbursement ceiling. Such costs should be determined by reference to the CMHC Rental Survey.

52. To deal with regional variations, a core standard should be set for all of Ontario, with a second-tier subsidy for regions with higher costs.

53. As a beginning step, recipients should receive 100% of actual costs, up to a ceiling set at the upper end of the range of the current shelter subsidy.

54. To resolve the inequity between boarders and others in respect of shelter subsidies, a special benefit should be provided immediately to boarders to assist them with their hidden shelter costs, transportation, clothing, and personal needs.

55. The distinction between profit and non-profit boarding rates should be abolished.

56. Institutional funding and charging policies in residences under the Homes for Retarded Persons Act should be dissociated from the rate-setting process. Recipients in these homes should receive the rate that they would otherwise receive in the community, and any additional funding required by the institutions should be provided through the direct operating budget. Problems relating to cost-sharing should be dealt with in negotiations with the federal government regarding the Canada Assistance Plan.

57. No change should be made in the funding and charging policies in institutions for the aged. However, placements of non-aged people in facilities for the aged should be reviewed to ensure that such placements are appropriate for the individuals involved.

58. The comfort allowance should be renamed the personal needs allowance, to reflect its intended purpose.

59. The personal needs allowance should immediately be made uniform with the higher amount that aged people now receive, and should be paid at this level to all who are eligible for it. Clear guidelines should be established regarding what the personal needs allowance is intended to cover. It should not be used to pay for basic needs, which ought to be covered through the funding of the institution itself.

60. The personal needs allowance should be introduced in those institutions, such as psychiatric hospitals, where it is not now paid.

61. A "frugal comfort" approach should be taken to basic needs that includes recognition of the need to reduce stigma and enables recipients to integrate into the community, achieve self-reliance, and exercise choice.

62. The highest GAINS-D rates should be increased to the levels now paid under the GAINS-A program, until further work is done to determine an appropriate rate for the handicapped allowance.

63. Special needs, such as those related to health care, should be funded and delivered where possible through programs directed at the broader population.

64. When a special need is a prerequisite to meeting an individual's basic needs, it should be considered a mandatory benefit. Some funding should be available to meet special needs for items that are desirable but not necessary. Such items should continue to be handled on a non-mandatory basis.

65. Age-related distinctions among children should no longer be maintained in their present form. There should be only two rates: those for children 12 years of age and under, and those for children over 12.

66. The distinction between men and women aged 60 to 64 should be eliminated immediately. All age-related distinctions should be eliminated as the rate structure approaches the level of adequacy.

67. The rates for single unemployable and employable people should be equalized at the higher rate.

68. Regional rate structures should not be introduced, apart from those relating to shelter and the special allowance paid in the remote North.

69. In the short term, when calculating benefits, the average monthly costs of in-kind benefits should be added to the value of the benefit itself.

70. The government should seek methods of harmonizing different needs tests across different programs, with a view to eliminating the major discrepancies that result when the programs operate independently of one another.

Chapter 5

OPPORTUNITY PLANNING AND HUMAN RESOURCES

71. Income support and opportunity planning should be instituted as separate but complementary forms of assistance that are integral to a restructured social assistance system.

72. Opportunity planning should be a required part of a restructured social assistance system.

73. Income support and opportunity planning, being related but separate functions, should be performed by different persons.

74. Consideration should be given to using existing multi-service or other community-based groups as "opportunity centres" to deliver the opportunity planning program.

75. Existing programs with specialized experience in helping recipients with specific needs should, where feasible, be given the option of serving as delivery agents for opportunity planning.

76. Opportunity planning for recipients with disabilities should be delivered through the Vocational Rehabilitation Services program (VRS), with a formal linkage established between VRS and the social assistance system.

77. The mandate of the VRS program should be broadened so that opportunity planning becomes available to all people with disabilities for the broader purpose of independent community living, including employment. The program should be renamed to reflect this change.

78. Entitlement to benefits for recipients who are disabled, sole-support parents, elderly, or temporarily unemployable should not be subject to conditions, but these recipients should have access to and be encouraged to participate in the opportunity planning process.

79. Recipients other than those who are disabled, sole-support parents, elderly, or temporarily unemployable should be required to participate in opportunity planning as a condition of receiving full social assistance benefits.

80. The obligation to participate in opportunity planning should be conditional upon the formal offer of the assistance of an opportunity planner and must be accompanied by measures to protect the rights of recipients.

81. The government should establish and maintain interim standards that govern caseload size for front-line workers in both the FBA and GWA programs.

82. There should be an immediate increase in staffing to provide back-up or substitute workers when and where they are needed.

83. The provincial government must establish workload standards and implement a mechanism to monitor both workload and caseload on an ongoing basis.

84. A joint municipal-provincial committee on training should be established immediately to develop a comprehensive training program for supervisors, field workers, and clerical staff.

85. A major effort should be made to involve current staff members in the design and implementation of both the short-term and the long-term changes required in human resources.

86. Mechanisms should be developed at the community level to encourage feedback from recipients about the help they receive from the social assistance system.

87. A joint municipal-provincial human resources steering committee should be established.

Chapter 6

MOVING TOWARDS SELF-RELIANCE

88. The provincial and federal governments should increase their support for community economic development initiatives in regions of the province with chronically high rates of unemployment.

89. The provincial government should foster the development of more flexible work-time options in both the public and private sectors.

90. The lump-sum phase-out benefit should be extended on a pro-rata basis to those recipients who enter part-time employment.

91. The limitations on full-time work applied to sole-support parents receiving FBA should be abolished.

92. Fully employed single persons and heads of household with spouses should be eligible for GWA.

93. The ministry should adopt the use of net earnings from paid employment as the basis for all social assistance calculations.

94. The amount allowed as a work expense exemption should be increased immediately and extended automatically to all eligible recipients. Exemptions above that amount should be permitted, but only for actual costs incurred for predetermined expenses.

95. Recipients should be permitted to deduct child care expenses as a work-related exemption.

96. The ministry should increase the amount allowed for the basic exemption for both GWA and FBA recipients.

97. All income above the level of allowable exemptions should be subject to a tax-back rate of 66.66% for all recipients.

98. Earnings averaging provisions should be retained, with the averaging periods equalized at six months so that all recipients and their spouses may benefit equally.

99. The earnings treatment applied to income from training and employment preparation programs should be the same as that applied to income from employment.

100. The provincial government should begin negotiations immediately with the federal government to design and implement a comprehensive program of income supplementation to top up the wages of low-income workers.

101. A revamped and restructured Work Incentive Program (WIN) should serve as the foundation for Ontario's income supplementation program.

102. Efforts to reform social assistance must ensure that the elements of a social assistance system, a program of income supplementation, and the minimum wage are integrated and harmonized as fully as possible in order to maximize the incentive for social assistance recipients to achieve self-reliance through employment.

103. The provincial government should increase its efforts to combat illiteracy.

104. Funding for remedial literacy programs aimed at adults should be channeled primarily through community-based, voluntary organizations.

105. Literacy courses for social assistance recipients should be provided by way of general literacy programs available to all members of the public.

106. The provision of adequate financial assistance to enable all qualified low-income students, including those receiving social assistance, to attend post-secondary institutions should be vested exclusively with the Ministry of Colleges and Universities and provided through OSAP.

107. The province and school boards should consider the gradual expansion of voluntary public pre-school educational programs.

108. The province and school boards, in conjunction with business and labour, should initiate an expansion of co-operative education programs for students in senior secondary schools.

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109. The province and boards of education should expand the provision of in-school child care programs to encourage and enable adolescent mothers to complete their secondary education.

110. Ontario should give serious consideration to initiating a full-time, voluntary program of community service work for youth.

111. The requirement to "work for welfare" should be prohibited.

112. Funding for the Employment Opportunities Program should be continued.

113. High priority should be assigned to the evaluation of all employment and training programs utilized by social assistance recipients in order to determine their effectiveness in helping participants move into the labour force.

114. A comprehensive training strategy should be developed and implemented that would see all provincial training and employment programs delivered under the auspices of a single ministry.

115. Encouragement and assistance should be provided to recipients interested in establishing small business ventures.

116. Sole-support parents receiving social assistance who participate in activities designed to increase their capacity for self-reliance should be guaranteed access to subsidized child care.

117. The Ministry of Community and Social Services should move aggressively to implement the initiatives of Project Opportunity, including a wage policy that provides people with disabilities with at least the equivalent of the standard minimum wage.

118. All relevant government ministries should further develop and expand the delivery of integrated services that would enable people with disabilities to maximize their potential for independent community living, including employment.

119. As long as the Ministry of Health requires a contribution towards the cost of assistive devices, it should provide an income-tested subsidy for those unable to afford the contribution.

120. VRS should continue to phase out its role as a purchaser of services as services required by disabled people are increasingly provided through mainstream ministries.

121. The VRS program should provide assistance to mainstream ministries and departments, to enable them to develop or adapt their services to effectively meet the needs of people with disabilities.

122. Consideration should be given to amending the Child and Family Services Act to extend Crown wardship into adulthood, if the ward consents, and to limit the power of the court to terminate Crown wardships earlier without the consent of the Crown ward.

123. The Ministry of Community and Social Services should develop a comprehensive profile of long-term recipients of social assistance that would isolate those variables most related to duration and frequency of dependence.

124. As an interim strategy and until further research is initiated, single mothers starting to receive assistance for the first time, and especially those who are young and unmarried, should be given special consideration for access to services designed to help people leave social assistance. Further, particular consideration should be given to pregnant and parenting adolescents.

125. An automatic and comprehensive review of every recipient not engaged with an opportunity planner should be undertaken after two consecutive years of receiving assistance, to assess the outcome of any previous efforts at opportunity planning and the need for other services that may make continuing dependence on assistance less likely.

Chapter 7

PROGRAM DELIVERY

126. Standards should be developed to ensure that social assistance offices are positive environments for both staff and clients.

127. Social assistance workers, and opportunity planners in particular, should be trained to act as internal advocates on behalf of their clients.

128. Clients should be made aware of the availability of external advocates and encouraged to make use of them if desired, from the time of first contact with the system.

APPENDIX I

129. The system of community legal clinics should be expanded to ensure that legal advocacy services are available to applicants and recipients.

130. Specialized training should be offered to lawyers who provide legal aid representation in the social assistance field.

131. Financial support and encouragement should be provided to community-based self-help groups providing and seeking to provide effective non-legal advocacy services.

132. The social assistance system should be an open one, providing clients with full access to their files from their initial application through to appeal or their leaving social assistance. Full access should include any information that forms the basis for reports or decisions, whatever its source.

133. Consistent with new Ontario legislation on freedom of information, wherever possible, information needed for social assistance purposes should be collected from the client. Exemptions from this rule should be clearly stated in legislation.

134. All types of decisions within the social assistance system should be reviewed to determine the appropriate level of discretion for each case.

135. Efforts should be made to improve the quality of discretionary decision-making through accurate fact-finding, consistent application of law and policy, training, and more effective review of decisions.

136. An application for assistance should be a simplified declaration by the applicant, indicating that he or she is in need and providing sufficient information to indicate that he or she qualifies for benefits under a simplified system.

137. Home visits should not be automatic, but should occur only at the request of the client, at random, or when necessary to ensure that the system is not being abused.

138. A new procedure should be introduced to determine eligibility for the proposed handicapped allowance. It should incorporate the following elements:

- A physician's report and a lay report should be submitted to a medical adjudicator.
- The adjudicator should have authority to grant the allowance. If the adjudicator

decides not to grant the allowance, the application should be reviewed by a multidisciplinary Professional Review Committee.

- The applicant and an advocate should be permitted to attend the deliberations of the Professional Review Committee.
- Physicians should be required to complete medical reports for applicants and should be paid for doing so. Appropriate civil protection should be granted to those who complete such reports.
- All reports and other information should be made available to the applicant.
- The Medical Advisory Board should be abolished.

139. The government should place a high priority on ensuring that the forms of assistance provided by the social assistance system are available in French across the province.

140. Ethno-cultural representation should be increased on boards and committees within the social assistance system. Additional staff should be recruited from multicultural communities for all levels of the system; front-line staff should be recruited from various ethnic communities to work with non-English-speaking applicants where numbers warrant.

141. Resources should be made available to permit access to trained interpreters as required. More information about the social assistance system should be provided in the languages of clients.

142. Training programs should be established for staff that include a focus upon race relations and cross-cultural studies.

143. Multicultural organizations should be retained to provide information, advocacy, referral services, community education, consultation on specific cases, assessments, and counselling.

144. Present methods of assessment should be reviewed to ensure that they are culturally appropriate.

145. The capacity to make social assistance payments to third parties should be retained, subject to the following safeguards:

- The criteria for third-party payments should be established in legislation. At a minimum, clear evidence that a client has in the past mismanaged or is likely in the future to mismanage his or her finances should be required.

- Decisions to authorize third-party payments should be subject to periodic review.
- Decisions to pay to a third party must be appealable to the Social Assistance Review Board.
- When a recipient wishes to have third-party payments terminated, the onus should be on those who wish to continue them to justify the necessity of doing so.

146. Qualifications and procedures should be established for the appointment of trustees. These should include a requirement of ongoing monitoring of the trustee's performance and a procedure for the removal of any trustee who has acted contrary to the interests of the recipient.

147. Attachment of social assistance payments should be prohibited by legislation.

148. Whenever it is proposed that benefits be refused, cancelled, suspended, or reduced, or whenever any other appealable decision is made, the applicant or recipient should receive adequate notice providing meaningful reasons.

149. Prior to an appeal to the Social Assistance Review Board, an informal, internal review should be conducted by someone who was not involved in the disputed decision and does not supervise the person who made it. The client should be permitted to bring an advocate to the review, and the client or advocate should have full file access.

150. If it is proposed that benefits of a recipient be reduced, suspended, or cancelled, and the recipient appeals, benefits should automatically continue until a final decision is rendered by the Social Assistance Review Board.

151. If a person has been refused benefits at the initial application stage, interim benefits should be granted if an application to the Social Assistance Review Board reveals that the person would suffer financial hardship pending the appeal.

152. Members of the Social Assistance Review Board should be highly qualified and should undergo extensive and ongoing training in order to carry out their duties properly.

153. The right of appeal should extend to decisions regarding those non-mandatory benefits that ultimately will form part of the basic allowance. Once those benefits become mandatory, the right of appeal should be limited to decisions regarding the basic allowance.

154. When failure to participate in an opportunity plan leads to a proposed reduction in benefits, the merits of the plan should be appealable as part of the review of the proposed reduction.

155. The board should immediately establish an in-house counsel office.

156. Procedures at the Social Assistance Review Board, both before and during hearings, should be non-threatening and should demonstrate respect for the client.

157. Three board members should hear each case. This number should be reconsidered as the quality of hearings improves.

158. The appellant should have full access to all materials contained in the file held by the ministry or municipality as well as full access to the board file in the matter.

159. The board should issue summonses as requested by the parties as well as on its own volition.

160. If an applicant or recipient has received notice of an intention to refuse, cancel, suspend, or reduce benefits, he or she should have 15 days to request an internal review. The internal review should be conducted and a decision rendered within 10 days after the review is requested. Following receipt of the decision made at the internal review, the applicant or recipient should have a further 15 days in which to launch an appeal to the board. If the client does not take any of these steps in a timely fashion, then interim benefits would cease. However, there should be provision for extending the time periods if circumstances warrant, in which case interim benefits would be reinstated.

161. Appellants should be entitled to legal representation before the Social Assistance Review Board. Measures should be adopted to ensure that appellants are made aware of their right to legal representation at the time the appeal is initiated. Duty counsel should be available at board hearings in larger communities. Smaller communities should have toll-free access to a permanent duty counsel office in Toronto.

APPENDIX I

162. An automatic adjournment should be granted if an appellant wishes to obtain legal representation. If a hearing date has already been set with the concurrence of the appellant's legal representative, then the board should grant an adjournment only in exceptional circumstances.

163. The board should explain to those appellants proceeding on their own that free legal services are available, as well as the possible ramifications of proceeding without legal representation.

164. Measures should be adopted to ensure that transcripts can be obtained after every hearing.

165. The board should be able to conduct hearings in French when requested to do so.

166. The board should have interpreters available as required for speakers of languages other than French and English. The board should attempt to learn prior to a hearing whether an interpreter will be needed.

167. The onus should be on the social assistance authority to prove the case against the appellant if it is proposed that benefits be reduced, suspended, or terminated. If benefits have been refused on initial application, the onus should remain on the appellant to meet the respondent's prima facie case.

168. Training of board members should pay particular attention to evidence, the weight given to written submissions, and the determination of credibility. The legislation should continue to allow the Director or welfare administrator to present his or her case by means of a written submission. A copy of any such submission should be distributed to the parties at least seven days prior to the hearing.

169. Hearings before the board should be held in private unless the client requests a public hearing.

170. The board should have the authority to affirm, rescind, or vary a decision made by the Director. A matter should not be referred back to the Director in order for the Director to make the decision, but only in order for the Director to carry out an order issued by the board. The Director should receive copies of board decisions concerning his or her department.

171. The board should issue decisions within 15 days of the completion of the hearing, with extensions permitted in exceptional cases.

172. Only those panel members who have actually heard a case should make the decision, and one of those panel members should write the reasons for the decision.

173. The board should be required to give reasons for its decisions.

174. If a party wants a reconsideration hearing, he or she should be required to apply to the board for leave. The board should grant leave only in exceptional circumstances. If leave is granted, the hearing should be conducted as a new hearing.

175. Board decisions should be published and indexed, while maintaining appropriate confidentiality. In addition, the board should establish and publish its procedures.

176. Feasibility studies, followed by pilot programs, should be developed and tested in the following areas:

- the reduction or elimination of manual records management systems;
- on-line update and instant cheque production capabilities as possible enhancements to the current system;
- voluntary electronic funds transfers through direct bank deposits or "smart" cards;
- "better off working" budgets for clients;
- personal entitlement schedules for clients; and
- systems for staff that monitor workloads and productivity, provide up-to-date information on services, and serve as training and information tools with regard to policies and procedures.

177. Within the social assistance system, fraud should be defined as the intentional provision of false information, or the withholding of information, where such provision or withholding results in the receipt of benefits that would not have been received if the person's true circumstances had been known.

178. The province should establish a centralized unit, with appropriate branch offices, having the responsibility to:

- ascertain the amount of fraud within the social assistance system;
- develop, test, and evaluate promising methods of detecting fraud that would be compatible with the principles that should guide the system;

- develop publicly stated policies regarding the detection and prosecution of fraud; and
- investigate allegations of fraud, determining when such cases should be referred for prosecution.

179. It should not be possible to collect an overpayment resulting from administrative error on the part of the issuing authority. An exception should exist if the amount of the payment or other circumstance makes it clear that an overpayment has occurred and the client was aware of or recklessly disregarded this fact.

180. In the case of an overpayment resulting from inadvertent client error, recovery should be limited to those overpayments made over the previous 12 months. It should be possible to recover such monies from future payments, subject to a right of appeal to the Social Assistance Review Board if it is felt that deductions would cause severe hardship.

181. When an overpayment has been made to a person who no longer receives benefits, an efficient method of establishing and recovering the overpayment should be established, with a right of appeal to the Social Assistance Review Board.

Chapter 8
ADMINISTRATION AND FUNDING

182. The province should assume full responsibility for defining the essential elements of the social assistance program, establishing standards of delivery, and ensuring that those standards are met.

183. The present two-tier delivery structure, which distinguishes between short-term and long-term need on the basis of categories of eligibility, should be abolished.

184. The level of government delivering social assistance in a given community or area of the province should be responsible and accountable for both the income support and opportunity planning functions.

185. The provincial government should deliver the new social assistance program where necessary to achieve the objectives established for the program. The province should delegate to local government the responsibility to deliver the social assistance program where at least the following conditions are met:

- acceptance of all elements of the new social assistance program;

- commitment to developing an annual service plan, with measurable goals and objectives, for review by the provincial government;
- a municipal structure of viable size, including full-time professional administration of the social assistance program;
- agreement to abide by the provisions of the French Language Services Act;
- demonstrated capabilities in administration, human resources management, financial management, technological systems, and planning and co-ordination; and
- a proven capacity to work with other government and private agencies delivering social and employment support services in the community, and with the community at large.

186. The delivery of both income support and opportunity planning to persons with disabilities should be a provincial responsibility in the short to medium term.

187. The provincial government should require the consolidation of social assistance in all unconsolidated counties and districts. It should also encourage and support consolidation of separated cities with the surrounding counties or districts, where the population size and resources of either do not support viable separate administrations. Where proposed consolidations have not occurred by the time new social assistance legislation is passed, the province should deliver the program directly.

188. The provincial government should begin immediately to establish the conditions for municipal delivery and the process for assessing a municipality's ability to deliver the new program. At the same time, it should begin to develop methods of service planning with municipalities and an effective system for monitoring municipal delivery.

189. The present partly integrated program should not be expanded into new municipalities unless the provincial government is first satisfied that each municipality can meet the conditions for delivery of the new social assistance program. Existing or new unified locations that are deemed to meet the conditions should assume responsibility for the entire caseload that will ultimately be served at that level.

190. Responsibility for providing special-needs items for disabled persons – currently vested in municipal Supplementary Aid – should be transferred immediately to the provincial social assistance delivery system.

191. Staff affected by changes in roles and responsibilities and their representatives should be fully consulted and involved in the planning and implementation of the proposed changes.

192. The provincial government should commit more resources to enable a major emphasis to be placed on the development of social assistance policy, including broad public consultation with those affected.

193. The provincial government should develop a strategic plan for the economically disadvantaged to guide policy and program activity for all relevant ministries.

194. Changes in organizational structure and accountability within the Ontario government should include locating all employment programs for the disadvantaged in one ministry. If necessary, consideration should be given to the viability of locating social assistance and employment programs in a single new ministry.

195. Consideration should be given to improving provincial planning and co-ordination of social assistance and related programs at the regional and area level by:

- developing more uniform regional and area boundaries, planning and funding cycles, levels of delegated authority, and use of local planning mechanisms among the relevant ministries; and
- creating regional or area plans with measurable goals and objectives. Such plans should include a statement of the objectives and resources for social assistance and for mandatory employment-related services such as child care.

196. Innovative community-based pilots should be introduced to enable an evaluation of the effectiveness of different models for local planning and co-ordination of social and support services for the economically disadvantaged.

197. The full financial responsibility for social assistance allowances and benefits should rest with the senior levels of government.

198. Appropriate adjustments should be made in provincial-municipal cost-sharing arrangements to ensure that there is no major windfall to local governments from changes in cost-sharing of social assistance allowances and benefits.

199. Municipalities should contribute to the cost of administration, including opportunity planning. Such a contribution should be made whether or not the municipality delivers social assistance.

200. The Provincial-Municipal Social Services Review should complete its work, using the funding recommendations in this report as a guide. It should develop a specific proposal for sharing administrative costs that takes into account differing municipal abilities to pay and avoids disincentives to taking on delivery responsibility.

201. In the short term, full funding of Supplementary Aid to persons with disabilities should become a provincial responsibility.

202. In the short term, 80% of the cost of Special Assistance for GWA clients should be funded by the provincial government, at least for those items that become mandatory.

203. In the short term, consideration should be given to reducing the municipal share of administration costs for social assistance by introducing a provincial share, provided that this does not interfere with longer-term cost-sharing arrangements.

Chapter 9
NATIVE COMMUNITIES

204. The Native peoples of Ontario should be involved in all phases of reform of social assistance as it applies to their communities, including the drafting of legislation and the process of implementation.

205. The province should engage in discussions regarding cost-sharing of new programs and services well in advance of their introduction.

206. The province should provide to Native peoples any new social assistance benefits and related services, regardless of whether cost-sharing is assured under the 1965 Indian Welfare Agreement.

207. More community-based services should be made available to Indian bands, particularly bands located in remote areas.

208. The expanded role of Native welfare administrators should be recognized, and they should receive the necessary training to prepare them to fulfil this role.

209. Funding and other support should be provided for the co-ordination of social assistance with other social programs in Native communities.

210. An aggressive affirmative action program should be undertaken to ensure that more high-level and front-line jobs in the Ministry of Community and Social Services are filled by Native people. There should also be Native membership on the Social Assistance Review Board.

211. Non-Native ministry staff who may be dealing with Native clients should be given training in cultural sensitivity to help them understand Native traditions.

212. The ministry review of living costs in the remote North should continue, and the ministry should involve Native communities directly in the determination of benefit levels. The Northern supplement should be paid under FBA and GWA.

213. Guidelines for use of the home repair fund should allow emergency repairs to community-owned housing.

214. Funerals and related expenses should be covered as an item of basic need.

215. The Indian Welfare Agreement should be retained until appropriate changes are negotiated or until an improved agreement is signed by the federal and Ontario governments and the First Nations.

216. Ontario should proceed as far as it can within the limits of its own legislative authority, in co-operation with Native leaders, to give as much control as possible to Native communities in the area of social assistance and related services.

217. A non-derogation clause should be included in provincial legislation, if it is deemed necessary by the First Nations.

218. Tripartite negotiations should determine the cost-sharing arrangements that will provide funds for the new social assistance system.

219. The new legislation should establish in its preamble the principle of service delivery in a culturally appropriate manner for all recipients of social assistance. In addition, the preamble should support the principle of culturally appropriate services provided for and by Ontario's Native communities.

220. The legislation should enable agreements to be entered into between the Minister of Community and Social Services and a band or a multi-band group to deliver integrated social assistance services. To enable these services to be provided in the manner determined appropriate by the band or bands, the Act should permit contracting out of any requirements of the Act.

221. Consultation with the First Nations regarding the content and possible implementation of the new Act should begin immediately.

222. In the short term, agreements should be entered into with Native agencies for the delivery of specific forms of social assistance, such as opportunity planning, to off-reserve Native clients.

223. The new legislation should enable agreements to be signed giving off-reserve Native agencies authority to deliver their own unique social assistance program.

Chapter 10
RELATED REFORMS

224. One comprehensive dental care program should be developed and made available to all low-income children and adults, whether or not they are social assistance recipients.

225. Consideration should be given to extending the Drug Benefit Plan to low-income people who do not receive social assistance, particularly those with higher-than-average drug costs.

226. The Assistive Devices Program should be expanded to include needed items now excluded, assistive devices required in the workplace, and the cost of equipment repairs.

227. OHIP premiums should be abolished.

228. The provincial Ministry of Housing should develop a mechanism whereby provincially owned property can be made available for the development of affordable housing by non-profit housing providers.

229. The province should encourage the federal government to mandate the Canada Mortgage and Housing Corporation (CMHC) to identify those federally owned properties that are suitable for the development of affordable housing and establish a mechanism for entering into long-term leases of such properties to non-profit housing providers.

APPENDIX I

230. Municipal governments should develop policies whereby municipally owned properties are assessed for their suitability for affordable housing and, where feasible, are leased for the development of such housing.

231. The provincial government should assume a co-ordinating role in bringing together all public landowners in order to plan a development strategy for affordable housing.

232. The provincial Ministry of Municipal Affairs should develop methods of streamlining the planning process with the intent of simplifying and shortening the existing approval process.

233. Municipalities, in co-operation with the Ministry of Housing, should develop strategies to elicit public acceptance of affordable housing and the more flexible use of existing housing stock.

234. The provincial Ministry of Municipal Affairs should seek to amend the Planning Act to include regulations that govern the establishment of affordable housing in all municipalities across the province.

235. All municipalities, in accordance with the Planning Act, should include specific criteria in their official plans and zoning by-laws that support the development of affordable housing within their boundaries.

236. The Ministry of Municipal Affairs should seek to amend the Planning Act to include regulations requiring the use of intensification techniques to increase the supply of housing in all municipalities.

237. Municipalities should review their zoning by-laws to establish a "converted dwelling unit" category and amend existing by-laws to support conversion in areas where the current housing permits it.

238. The provincial Ministry of Revenue should explore property tax incentives aimed at encouraging homeowners to create additional units in their homes.

239. The provincial government should review the Landlord and Tenant Act to determine how best to protect homeowners who rent units in their homes.

240. The Canada Mortgage and Housing Corporation and the Ministry of Housing should significantly increase funding for the provincial Rent Supplement Program.

241. Wherever possible, the provincial government should give priority to the "portable services" concept, which separates housing and support services.

242. Municipalities should be required to include a category for all boarding homes in their by-laws, to regulate such accommodation with respect to physical safety and public health standards, and then to enforce such by-laws.

243. The exemption in the Landlord and Tenant Act relating to room-and-board accommodation should be clarified, with special provisions enacted to govern the termination of tenancies where residents no longer meet bona fide admission criteria.

244. Specialized programs with unique services, such as transition houses, should be removed from social assistance legislation and funded and regulated through separate residential services legislation. The long-term domiciliary hostel program should also be removed, and its services should be provided as "portable services".

245. Municipalities should be required to ensure that emergency shelter is available within their communities.

246. In the short term, the GWA per-diem rate should be reviewed and, if necessary, raised to reflect the broader range of services now provided through the hostel program.

247. The funding mechanism for hostels should be adjusted to ensure that there exists a secure funding base, notwithstanding fluctuations in the number of residents.

248. Capital funding should be provided for the construction, renovation, and maintenance of emergency shelters.

249. The provincial government should rationalize jurisdictional responsibility for the funding of day programs and increase the available funding for such programs.

250. Recipients should be permitted to choose whether to bring support applications on their own or have the Ministry of Community and Social Services bring applications.

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251. Resources should be provided to make mediation services more available to people with low incomes.

252. The Ministry of Community and Social Services should engage the Ministry of the Attorney General in a joint review of existing laws dealing with private support obligations and their relationship to social assistance law.

253. Support should be given to research that assesses the impact on family members of recent family law legislation dealing with property division and support and seeks to develop guidelines for spousal and child support awards that reflect an understanding of the economic implications of marriage and family breakdown.

254. Measures should be taken to help lawyers and judges become aware of the interrelationship between the private and public support systems, and of the importance of support awards to women and children who receive social assistance.

255. The functions of parental support workers should be reviewed and their role in the new social assistance system should be clarified.

256. Public maintenance advance systems and the Wisconsin Child Support Assurance System should be monitored and evaluated to determine their applicability to Ontario.

257. Ontario should support the development of national standards for social assistance, especially in the areas of rates and needs testing, through the conditions established for federal cost-sharing.

258. Ontario should advocate that separate special fiscal arrangements be made in order to provide enriched funding for social assistance to have-not provinces, to enable these provinces to participate in program enrichment.

259. The Ontario government should enter into negotiations with the federal government to relax the current CAP guidelines on earnings exemptions.

260. Ontario should request the federal government to extend the March 31, 1989, time limit placed on earnings exemptions in the four-cornered agreement pending negotiations for improved earnings exemptions.

261. Ontario should advocate the implementation of a special new fiscal arrangement in order to ensure cost-sharing for income-tested income supplementation programs.

262. The federal government should revise its interpretation of existing policy statements so that it fully shares in shelter-related and special incentive items not now covered.

263. The improvements being considered by the federal-provincial review of fiscal arrangements affecting programs and services for disabled persons should be supported, and a more comprehensive review should be undertaken.

264. The more comprehensive review that takes place should seek new cost-sharing arrangements that more fully support the integration of persons with disabilities into the social and economic life of the community.

265. The government should reaffirm the traditional and ongoing role of the voluntary sector, while also asserting its own responsibility to provide adequate social assistance to those in need.

266. Measures should be taken to promote greater collaboration between government and the voluntary sector in the planning and co-ordination of services.

267. The voluntary sector should be looked upon as a possible provider of opportunity planning within the new social assistance system, with full government funding.

268. The Ontario government should not provide formalized funding to food banks.

269. The Ontario government should immediately begin to design and implement a comprehensive, province-wide public education program to increase the level of public awareness and understanding about the social assistance program and those who use it.

Chapter 11
STAGES OF IMPLEMENTATION

270.
- The development of new social assistance legislation should include a period of broad public consultation.
- The new Act should include a preamble setting out the principles underlying the legislation.

APPENDIX I

- The essential elements of the new social assistance system should be found in the statute rather than in regulations and policy manuals.
- The legislation should guarantee periodic review of the major elements of the new social assistance system.

271. Within six months of the release of this report, the government should issue a statement indicating what action it intends to take in response to our recommendations.

272. The government should publish an annual report that describes the progress made in implementing our recommendations.

273. The provincial government should provide funding for a council of consumers of social assistance, with a mandate to provide ongoing advice on the design and development of the social assistance system.

274. The government should undertake a cost-benefit analysis of our proposed reforms.

NOTES

1

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2. Urie Bronfenbrenner, "A Generation in Jeopardy: America's Hidden Family Policy," *Newsletter*, Division of Developmental Psychology, Division 7, American Psychological Association (Fall 1986), p. 47.

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A list of selected references for this report may be obtained by contacting:
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